

**CITY OF HOBOKEN**

**Financial Statements With  
Supplementary Information**

**December 31, 2014**

**(With Independent Auditors' Reports Thereon)**

**CITY OF HOBOKEN**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of the City Council  
City of Hoboken  
County of Hudson, New Jersey

### **Report on the Financial Statements**

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the City of Hoboken (the "City"), County of Hudson, New Jersey, as of December 31, 2014 and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the financial statements are prepared by the City of Hoboken on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the City of Hoboken as of December 31, 2014 and 2013, or changes in financial position for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hoboken's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2015 on our consideration of the City of Hoboken's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over

Honorable Mayor and  
Members of the City Council  
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financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hoboken's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.  
Registered Municipal Accountant  
No. CROO413



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Certified Public Accountants  
Pompton Lakes, New Jersey

April 20, 2015

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2014 and 2013

		<u>2014</u>	<u>2013</u>
	<u>Assets</u>		
Current Fund:			
Current Assets:			
Cash - Operating Accounts	A-4	\$ 29,923,811	30,772,104
Cash - Change Fund	A-5	400	400
		<u>29,924,211</u>	<u>30,772,504</u>
Due from State of New Jersey:			
Per Ch. 129, P.L. 1976	A-6	40,650	38,743
Qualified Bond Aid	A-7	<u>4,222,060</u>	<u>4,122,733</u>
		<u>4,262,710</u>	<u>4,161,476</u>
		<u>34,186,921</u>	<u>34,933,980</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes	A-8	913,514	1,164,281
Tax Title Liens	A-9	432,106	426,922
Property Acquired for Taxes -			
Assessed Valuation	A-10	2,806,900	2,806,900
Water Liens	A-11	1,038	945
Revenue Accounts Receivable	A-12	433,224	380,652
Interfunds Receivable	A-13	<u>216,763</u>	<u>1,161,830</u>
		<u>4,803,545</u>	<u>5,941,530</u>
Deferred Charges	A-14		1,619,391
Deferred Charges - Special Emergency Authorizations	A-22	<u>4,965,000</u>	<u>6,920,000</u>
		<u>4,965,000</u>	<u>8,539,391</u>
		<u>43,955,466</u>	<u>49,414,901</u>
Federal and State Grant Fund:			
Cash - Operating Accounts	A-4	446	526,298
Interfunds	A-13	478,216	
Grants Receivable	A-24	<u>7,212,136</u>	<u>5,539,820</u>
		<u>7,690,798</u>	<u>6,066,118</u>
		<u>\$ 51,646,264</u>	<u>55,481,019</u>

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31, 2014 and 2013

<u>Liabilities, Reserves and Fund Balance</u>		<u>2014</u>	<u>2013</u>
Current Fund:			
Appropriation Reserves:			
Encumbered	A-3/A-15 \$	1,208,800	1,907,199
Unencumbered	A-3/A-15	4,998,223	5,017,740
County Taxes Payable	A-16	468,637	293,344
Tax Overpayment	A-17	520,805	251,224
Accounts Payable	A-19	347,791	140,047
Prepaid Taxes	A-20	1,391,471	858,214
Interfunds Payable	A-13	5	494
School Taxes Payable	A-18		17,886
Various Reserves	A-21	4,200,226	6,093,179
Special Emergency Notes Payable	A-23	4,605,000	6,440,000
		<u>17,740,958</u>	<u>21,019,327</u>
Reserve for Receivables	Contra	4,803,545	5,941,530
Fund Balance	A-1	<u>21,410,963</u>	<u>22,454,044</u>
		<u>43,955,466</u>	<u>49,414,901</u>
Federal and State Grant Fund			
Unappropriated Reserve for Grants	A-25	107,073	15,341
Interfunds Payable	A-26	309,975	1,259,975
Appropriated Reserve for Grants	A-27	6,565,302	4,157,047
Reserve for Encumbrances	A-28	708,448	633,755
		<u>7,690,798</u>	<u>6,066,118</u>
	\$	<u>51,646,264</u>	<u>55,481,019</u>

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis

## Current Fund

For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues and Other Income:		
Fund Balance Utilized	9,838,522	9,838,522
Miscellaneous Revenue Anticipated	46,144,909	44,711,357
Receipts from Delinquent Taxes	1,160,233	1,377,882
Receipts from Current Taxes	157,083,767	144,492,333
Non-Budget Revenue	181,174	1,833,562
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	2,917,241	4,811,332
Prior Year Interfunds Returned	929,837	69,683
Cancelled Liabilities	52,651	1,758
Total Revenues and Other Income	<u>218,308,334</u>	<u>207,136,429</u>
Expenditures:		
Budget and Emergency Appropriations:		
Operations:		
Salaries and Wages	41,066,085	40,035,205
Other Expenses	44,291,743	43,051,208
Capital Improvement Fund	320,000	403,175
Municipal Debt Service	7,351,435	6,863,689
Statutory Expenditures and Deferred Charges	12,577,226	12,611,928
Judgements	1,476,350	117,500
Local District School Tax	38,733,329	37,577,916
County Taxes	61,381,201	53,398,463
Municipal Open Space Taxes	2,221,882	605,409
Revenue Refunds	93,642	
Interfund Advances		827
Total Expenditures	<u>209,512,893</u>	<u>194,665,320</u>
Excess (Deficit) Revenue Over Expenditures	8,795,441	12,471,109
Adjustment to Income Before Fund Balance:		
Expenditures Included Above Which Are By Statute Deferred		
Charges to Budget of Succeeding Year:		
Special Emergency Amendment		600,000
		<u>600,000</u>
Statutory Excess to Surplus	8,795,441	13,071,109
Fund Balance - December 31, 2013	<u>22,454,044</u>	<u>19,221,457</u>
Decreased by:		
Fund Balance Utilized as Budget Revenue	<u>9,838,522</u>	<u>9,838,522</u>
Fund Balance - December 31, 2014	<u>21,410,963</u>	<u>22,454,044</u>

See accompanying notes to the financial statements.

## CITY OF HOBOKEN, N.J.

Exhibit A-2

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	\$ 9,838,522	9,838,522	
Miscellaneous Revenues:			
Licenses and Fees:			
Alcoholic Beverages	310,000	311,900	1,900
Other	40,000	32,188	(7,812)
Fees and Permits	300,000	266,864	(33,136)
Zoning Board of Adjustment Fees	150,000	284,990	134,990
Planning Board Fees	17,000	19,475	2,475
Rent Leveling Fees	50,000	49,135	(865)
Fines and Costs:			
Municipal Court	4,500,000	4,978,046	478,046
Interest and Costs on Taxes	239,000	283,766	44,766
Parking Tax	1,490,000	1,728,059	238,059
Riverview Cablevision Associates	535,519	535,519	
Interest on Investments and Deposits	120,000	129,255	9,255
Rents on City Owned Property	22,900	33,115	10,215
SJP Properties - Block A-Phase I	1,227,720	1,227,720	
SJP Properties - Block A-Phase II	1,227,705	1,227,705	
Applied Development Co. - South Waterfront - Block C	1,714,170	1,714,170	
1300 Grand Street (Pilot Payment)	797,671	677,588	(120,083)
Grogan Marineview Plaza	682,912	692,013	9,101
Clocktowers	137,307	104,165	(33,142)
Marion Towers Associates	178,575	178,575	
Church Towers Urban Renewal	494,405	437,803	(56,602)
Columbian Towers	121,118	124,930	3,812
Columbian Arms	27,369	28,097	728
Willow Avenue Associates - 800 - 812 Willow Avenue	78,236	70,217	(8,019)
1200 Grand Street	1,051,913	892,110	(159,803)
Applied Housing - 1203-1219 Willlow Avenue	160,077	213,473	53,396
Applied Housing - 1201-1221 Washington Estates	277,978	340,804	62,826
Applied Housing - 1200-1220 Hudson Estates	295,126	366,673	71,547
Applied Housing - 1301-1309 Bloomfield Estates	126,058	135,793	9,735
Applied Housing - Midway 500-508 Adams Street	97,076	163,521	66,445
Applied Housing - Elysian Estates	99,322	102,524	3,202
Applied Housing - Church Square	152,540	168,058	15,518
Applied Housing - Eastview Associates	139,282	152,685	13,403
Applied Housing - Westview Associates	206,979	209,900	2,921
Applied Housing - Northvale I - 911-923 Clinton Street	241,328	320,108	78,780
Applied Housing - Northvale II - 901-919 Clinton Street	147,170	243,034	95,864
Applied Housing - Northvale IIIA	106,919	123,145	16,226
Applied Housing - Northvale III B - 1106-1014 Clinton Street	155,158	202,999	47,841
Applied Housing - Northvale IV - 58 11th Street	20,724	22,074	1,350
1118 Adams St	19,603	20,556	953
1100 Adams Street	596,406	519,118	(77,288)
NJ Transit Block 139, Lot 1.1		7,639	7,639
PILOTS Interest		26,491	26,491
201-219 River Street		775,508	775,508
Parking Utilities Surplus	4,100,000	4,100,000	

## CITY OF HOBOKEN, N.J.

Exhibit A-2

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Consolidated Municipal Property Tax Relief Aid	4,037,395	4,037,395	
Energy Receipts Tax	7,075,640	7,075,640	
Uniform Construction Code Fees	1,300,000	1,523,494	223,494
Hoboken Housing Authority - Public Safety	405,000	516,690	111,690
Municipal Alliance	19,420	19,420	
Municipal Alliance	43,200	43,200	
Drive Sober or Get Pulled Over	7,500	7,500	
Police Department Hazardous Mitigation	132,854	132,854	
NJDOT - Various Streets	295,000	295,000	
Justice Assistance Grant	16,924	16,924	
CDBG	410,000	410,000	
Recreation Opportunities	10,000	10,000	
Energy Initiative Allocation	107,920	107,920	
Hudson County Open Space	500,000	500,000	
Post Sandy Planning	200,000	200,000	
Post Sandy Planning	100,000	100,000	
Body Armor	15,341	15,341	
TD Green Street Arbor Day	20,000	20,000	
Home Support and Adult Day Care	127,800	127,800	
Clean Communities	76,222	76,222	
Housing Inspection Program	97,000	97,000	
Post Sandy Revitalization	879,401	879,401	
National Fish and Wildlife Foundation	250,000	250,000	
Body Armor	15,390	15,390	
Summer Food Program	51,704	51,704	
2010 Port Security Grant	123,954	123,954	
NJ State Council on the Arts	5,635	5,635	
Uniform Fire Safety Act	91,000	95,619	4,619
Outside Duty Police Administration	95,000	131,260	36,260
Verizon TV Franchise Fee	332,496	332,496	
1001 Jefferson	841,786	930,671	88,885
W Hotel	537,884	548,642	10,758
Hotel/Motel Occupancy Fee	540,000	554,441	14,441
800 Jackson Ave. (PILOT)	838,175	717,048	(121,127)
United Water Concession	168,000	120,000	(48,000)
FEMA Reimbursement	1,470,000	1,470,000	
Capital Fund Balance	344,740	344,740	
Total Miscellaneous Revenues	44,037,647	46,144,909	2,107,262
Receipts from Delinquent Taxes	1,150,000	1,160,233	10,233
Subtotal General Revenues	55,026,169	57,143,664	2,117,495

## CITY OF HOBOKEN, N.J.

Exhibit A-2

## Statement of Revenues - Regulatory Basis

## Current Fund

Year Ended December 31, 2014

	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Amount to be Raised by Taxes for Support of Municipal Budget:			
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	51,785,769	54,347,768	2,561,999
Minimum Library Tax	<u>3,699,585</u>	<u>3,699,585</u>	
Total Amount to be Raised by Taxes for Support of Municipal Budget	55,485,354	58,047,353	2,561,999
Non-Budget Revenue		<u>181,174</u>	<u>181,174</u>
	<u>\$ 110,511,523</u>	<u>115,191,017</u>	<u>4,679,494</u>
Adopted Budget	107,734,830		
Appropriations by 40a:4-87	<u>2,776,693</u>		
	<u>\$ 110,511,523</u>		

**CITY OF HOBOKEN, N.J.**  
**Statement of Revenues - Regulatory Basis**

**Current Fund**

**Year Ended December 31, 2014**

Analysis of Realized Revenues

Revenue from Current Tax Collections	\$ 157,083,767
Allocated to County of Hudson	\$ 61,381,203
Local School District	38,733,329
Municipal Open Space	<u>2,221,882</u>
	<u>102,336,414</u>
Balance for Support of Municipal Budget Appropriations	54,747,353
Add : Appropriation - Reserve for Uncollected Taxes	<u>3,300,000</u>
Amount for Support of Municipal Budget Appropriations	<u>\$ 58,047,353</u>
Receipts from Delinquent Taxes:	
Delinquent Taxes	<u>\$ 1,160,233</u>

Analysis of Non-budget Revenues

Miscellaneous Revenue Not Anticipated

GOV Deals	\$ 20,249
Miscellaneous	18,466
Settlement Payment	5,032
Hoboken Historic	13,771
Public Safety	15,354
Note Premium	31,744
Tax Searches	10
Variance	980
Settlement Payment	12,159
Restitution	50,036
Duplicate Bills	<u>13,373</u>
	<u>\$ 181,174</u>

See accompanying notes to the financial statements.

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 <u>Budget</u>	Budget after Modification and Transfer	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
General Government:					
Mayor and Council					
Salaries and Wages	278,950	278,950	278,578	372	
Other Expenses	26,160	26,160	15,270	10,890	
City Council					
Salaries and Wages	219,582	219,582	218,396	1,186	
Other Expenses	27,000	27,000	20,703	6,297	
Office of the Clerk					
Salaries and Wages	543,442	543,442	522,801	20,641	
Other Expenses	10,200	10,200	10,092	108	
Other Expenses - Legal Advertising	65,000	65,000	50,306	14,694	
Other Expenses - Codification of Ordinances	30,000	30,000	11,708	18,292	
Salaries and Wages - Elections	25,000	25,000	25,000		
Other Expenses - Elections	55,000	55,000	50,753	4,247	
Department of Administration					
Business Administrator's Office					
Salaries and Wages	452,732	452,732	452,071	661	
Other Expenses	177,000	159,992	120,095	39,897	
Purchasing					
Salaries and Wages	176,845	178,345	178,053	292	
Other Expenses	4,650	4,650	4,306	344	
Personnel and Health Benefits					
Salaries and Wages	299,917	298,917	267,764	31,153	
Other Expenses	6,000	7,000	5,917	1,083	
Zoning and Administration					
Salaries and Wages	199,570	200,570	200,281	289	
Other Expenses	3,800	3,800	3,604	196	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 <u>Budget</u>	Budget after Modification and Transfer	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Uniform Construction Code					
Salaries and Wages	689,118	689,118	663,035	26,083	
Other Expenses	219,000	219,000	199,031	19,969	
Corporation Council					
Salaries and Wages	344,941	344,941	295,851	49,090	
Other Expenses	76,300	76,300	23,047	53,253	
Other Expenses - Special Council	1,300,000	1,300,000	1,020,585	279,415	
Other Expenses - Labor Council					
Other Expenses - Expert Witness & Appraisal	20,000	20,000		20,000	
Revenue and Finance Director					
Salaries	666,380	664,880	567,862	97,018	
Other Expenses	178,500	178,500	155,481	23,019	
Annual Audit					
Other Expenses	85,000	85,000	85,000		
Tax Collections					
Salaries and Wages	263,780	263,780	251,552	12,228	
Other Expenses	68,260	68,260	34,484	33,776	
Information Technology					
Salaries and Wages	40,000	40,000		40,000	
Other Expenses	114,000	114,000	98,246	15,754	
Municipal Court					
Salaries and Wages	1,173,408	1,173,408	991,686	181,722	
Other Expenses	168,925	168,925	117,432	51,493	
Public Defender					
Other Expenses	43,000	43,000	42,825	175	
Office of the Tax Assessor					
Salaries and Wages	349,234	349,234	347,118	2,116	
Other Expenses	225,745	225,745	213,278	12,467	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>2014 Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Department of Human Services					
Director's Office					
Salaries and Wages	204,509	204,509	203,073	1,436	
Other Expenses	2,000	2,000	1,138	862	
Rent Leveling					
Salaries and Wages	293,512	293,512	279,775	13,737	
Other Expenses	3,340	3,340	2,806	534	
Housing Inspections					
Salaries and Wages	89,972	91,472	91,217	255	
Other Expenses	1,250	1,250	978	272	
Health					
Salaries and Wages	629,541	628,041	614,147	13,894	
Other Expenses	162,498	162,498	104,788	57,710	
Senior Citizens					
Salaries and Wages	269,777	269,777	269,332	445	
Other Expenses	13,000	13,000	12,536	464	
Recreation and Cultural Affairs					
Salaries and Wages	396,529	396,529	391,394	5,135	
Other Expenses	158,600	158,600	151,254	7,346	
Cultural Affairs					
Salaries and Wages	88,437	88,437	87,726	711	
Department of Environmental Services					
Director's Office					
Salaries and Wages	137,650	137,650	128,557	9,093	
Other Expenses	13,300	13,300	4,815	8,485	
Parks and Rec Functions					
Parks					
Salaries and Wages	515,669	505,669	399,161	106,508	
Other Expenses	114,910	124,910	102,914	21,996	
Division of Public Property					
Salaries and Wages	978,629	978,629	899,025	79,604	
Other Expenses	307,000	307,000	300,079	6,921	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 <u>Budget</u>	Budget after Modification and Transfer	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Streets and Roads					
Salaries and Wages	624,652	624,652	554,839	69,813	
Other Expenses	308,000	308,000	196,220	111,780	
Municipal Prosecutor					
Other Expenses	70,000	70,000	70,000		
Central Garage					
Salaries and Wages	368,044	368,044	328,801	39,243	
Other Expenses	244,000	244,000	225,337	18,663	
Sanitation					
Salaries and Wages	561,046	561,046	560,274	772	
Other Expenses	4,228,500	4,228,500	4,004,448	224,052	
Shade Tree Commission					
Other Expenses	50,000	50,000	8,799	41,201	
Department of Community Development					
Director's Office					
Salaries and Wages	186,019	186,019	185,028	991	
Other Expenses	4,000	4,000	3,435	565	
Grants Management					
Other Expenses	75,000	75,000	75,000		
Planning Board					
Salaries and Wages	65,621	65,621	64,442	1,179	
Other Expenses	115,000	115,000	66,643	48,357	
Zoning Board of Adjustment					
Other Expenses	140,000	139,000	51,145	87,855	
Redevelopment					
Other Expenses	530,000	480,000	312,829	167,171	
Historical Preservation Committee					
Other Expenses	12,000	12,000	5,132	6,868	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 <u>Budget</u>	Budget after Modification and Transfer	Paid or <u>Charged</u>	<u>Reserved</u>	Unexpended Balance <u>Canceled</u>
Department of Public Safety					
Police					
Salaries and Wages	16,009,409	15,859,409	15,625,349	234,060	
Other Expenses	601,500	601,500	494,372	107,128	
Acquisition of Vehicles	70,000	70,000	68,035	1,965	
Fire					
Salaries and Wages	13,135,248	13,135,248	12,760,121	375,127	
Other Expenses	227,100	227,100	143,780	83,320	
Office of Emergency Management					
Salaries and Wages	539,722	539,722	438,119	101,603	
Other Expenses	39,000	39,000	16,045	22,955	
Insurance					
General Liability	1,700,000	1,700,000	1,542,394	157,606	
Worker's Compensation	800,000	800,000	481,350	318,650	
Employee Group Health	17,856,000	17,856,000	17,343,718	512,282	
Employee Group Waiver	25,000	25,000		25,000	
UNCLASSIFIED:					
Alcoholic Beverage Control Board					
Salaries and Wages	4,200	4,200	4,080	120	
Other Expenses	2,500	2,500	2,498	2	
Volunteer Ambulance					
Other Expenses	40,000	40,000	40,000		
North Hudson Regional Council of Mayors					
Other Expenses	56,700	73,708	56,693	17,015	
Settlement of Claims Against the City	10,000	10,000		10,000	
Towing/Storage of Abandoned Vehicles	7,500	7,500	2,828	4,672	
Engineering	320,000	320,000	310,577	9,423	
Labor Arbitrations	30,000	30,000	14,169	15,831	
Municipal Dues and Memberships	3,500	3,500	2,958	542	
Celebration of Public Events	7,500	7,500	3,938	3,562	
Postage	150,000	150,000	133,952	16,048	
Copiers/ Printers	55,000	55,000	55,000		
Central Office	50,000	50,000	32,629	17,371	
PILOT Payments to Hudson County	240,000	240,000	166,854	73,146	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Utilities:					
Electricity	485,000	460,000	350,786	109,214	
Street Lighting	700,000	725,000	648,111	76,889	
Gas (Natural)	115,000	115,000	99,032	15,968	
Gasoline	365,000	365,000	333,818	31,182	
Water and Sewer	60,000	60,000	14,225	45,775	
Communications	314,000	314,000	278,267	35,733	
Salary Adjustments	1,560,000	1,560,000	1,560,000		
Anticipated Terminal Leave Appropriation	725,000	725,000	657,708	67,292	
Total Operations within "CAPS"	76,892,323	76,692,323	71,980,704	4,711,619	
Total Operations Including Contingent-within "CAPS"	76,892,323	76,692,323	71,980,704	4,711,619	
Detail:					
Salaries & Wages	40,821,085	40,661,085	39,144,508	1,516,577	
Other Expenses (Including Contingent)	36,071,238	36,031,238	32,836,196	3,195,042	
Total:	76,892,323	76,692,323	71,980,704	4,711,619	
(E) Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS"					
DEFERRED CHARGES:					
Prior Years Bills:	6,722	6,722	6,630		92
H2M Associates	136	136	136		
MGL Printing Solutions	3,000	3,000	3,000		
Lenox Consulting	545	545	545		
Enterprise Consultants	3,749	3,749	3,748		1
Galvin Law Firm	3,703	3,703	3,681		22

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
STATUTORY EXPENDITURES:					
Contribution to:					
Social Security System (O.A.S.I.)	1,485,000	1,485,000	1,482,229	2,771	
Consolidated Police and Firemen's Pension Fund	34,000	34,000	15,214	18,786	
Police and Firemen's Retirement System	6,653,129	6,653,129	6,629,993	23,136	
Public Employees Retirement System	1,052,966	1,052,966	870,402	182,564	
Unemployment Compensation Insurance	60,000	60,000	51,525	8,475	
Total Deferred Charges and Statutory Expenditures-Municipal within "CAPS"	9,302,950	9,302,950	9,067,103	235,732	115
Total General Appropriations for Municipal Purposes within "CAPS"	86,195,273	85,995,273	81,047,807	4,947,351	115
Operations - Excluded from "CAPS"					
Maintenance of Free Public Library(P.L. 1985 Ch. 22)					
Other Expenses	3,699,585	3,699,585	3,699,585		
Reserve for Tax Appeals	1,000,000	1,000,000	1,000,000		
Police Salaries & Wages	405,000	405,000	405,000		
Total Other Operations - Excluded from "CAPS"	5,104,585	5,104,585	5,104,585		

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Public and Private Programs Offset by Revenues					
Body Armor Grant	15,341	15,341	15,341		
Post Sandy Revitalization	879,401	879,401	879,401		
National Fish and Wildlife Foundation	250,000	250,000	250,000		
Body Armor Grant	15,390	15,390	15,390		
Summer Food	51,704	51,704	51,704		
Post Sandy Planning	100,000	100,000	100,000		
Post Sandy Planning	200,000	200,000	200,000		
TD Green Street Arbor Day	20,000	20,000	20,000		
Home Support and Adult Day Care	127,800	127,800	127,800		
Clean Communities	76,222	76,222	76,222		
Housing Inspection Program	97,000	97,000	97,000		
Municipal Alliance	43,200	43,200	43,200		
Match	10,800	10,800	10,800		
Drive Sober or Get Pulled Over	7,500	7,500	7,500		
Police Dept. Hazard Mitigation	132,854	132,854	132,854		
NJDOT Various Streets	295,000	295,000	295,000		
JAG	16,924	16,924	16,924		
CDBG	410,000	410,000	410,000		
Municipal Alliance	19,420	19,420	19,420		
Match	4,855	4,855	4,855		
2010 Port Security Grant	123,954	123,954	123,954		
NJ State Council on Arts	5,635	5,635	5,635		
Recreation Opportunities	10,000	10,000	10,000		
Energy Initiative Allocation	107,920	107,920	107,920		
Hudson County Open Space	500,000	500,000	500,000		
Matching Funds for Grants	40,000	40,000	5,000	35,000	
Total Public and Private Programs Offset by Revenues	3,560,920	3,560,920	3,525,920	35,000	

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total Operations-Excluded from "CAPS"	8,665,505	8,665,505	8,630,505	35,000	
Detail:					
Salaries and Wages	405,000	405,000	405,000		
Other Expenses	8,260,505	8,260,505	8,225,505	35,000	
Total:	8,665,505	8,665,505	8,630,505	35,000	
Capital Improvements-Excluded from "CAPS"					
Capital Improvement Fund	75,000	275,000	275,000		
Computer Technology Updates	25,000	25,000	19,128	5,872	
Acquisition of Salt Shed	10,000	10,000		10,000	
Snow Tractors	10,000	10,000	10,000		
Total Capital Improvements Excluded from "CAPS"	120,000	320,000	304,128	15,872	
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	3,775,000	3,775,000	3,775,000		
Payment of Note Principal	1,175,020	1,175,020	1,175,020		104,776
Interest on Bonds	1,420,294	1,420,294	1,315,518		10,143
Interest on Notes	890,345	890,345	880,202		
Green Trust Loan Program					
Loan Repayments for Principal and Interest	205,695	205,695	205,695		
Total Municipal Debt Service-Excluded from "CAPS"	7,466,354	7,466,354	7,351,435		114,919
DEFERRED CHARGES:					
Overexpenditure of Appropriations	1,619,391	1,619,391	1,619,391		
5 Year Emergency Authorization	1,655,000	1,655,000	1,655,000		
Total Deferred Charges - Municipal - Excluded from "CAPS"	3,274,391	3,274,391	3,274,391		
Judgements	1,490,000	1,490,000	1,476,350		13,650

CITY OF HOBOKEN

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	2014 Budget	Budget after Modification and Transfer	Paid or Charged	Reserved	Unexpended Balance Canceled
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	21,016,250	21,216,250	21,036,809	50,872	128,569
Subtotal General Appropriations Reserve for Uncollected Taxes	107,211,523	107,211,523	102,084,616	4,998,223	128,684
Total General Appropriations	\$ 110,511,523	110,511,523	105,384,616	4,998,223	128,684
Adopted Budget		107,734,830			
Appropriations by 40a:4-87		2,776,693			
		110,511,523			
Reserve for Uncollected Taxes			3,300,000		
Deferred Charges			3,274,391		
Federal and State Grants			3,525,920		
Encumbrances			1,208,800		
Cash Disbursements			94,075,505		
			\$ 105,384,616		

See accompanying notes to the financial statements.

## CITY OF HOBOKEN

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal License Fund:			
Cash	B-1	\$ 33,637	25,503
Other Trust Funds:			
Cash	B-1	12,891,222	10,220,564
Interfunds	B-5		489
		<u>12,891,222</u>	<u>10,221,053</u>
Section 8 - Housing Assistance Program:			
Cash	B-1	986,085	735,478
Interfunds	B-5	5	5
		<u>986,090</u>	<u>735,483</u>
Community Development Block Grant Trust Fund:			
Grants Receivable	B-12	499,760	666,556
Due from Section 8 - Housing Assistance Program	B-10	459,160	118,170
Due from Federal and State Grant Fund	B-13	105,000	105,000
		<u>1,063,920</u>	<u>889,726</u>
		<u>\$ 14,974,869</u>	<u>11,871,765</u>

## CITY OF HOBOKEN

## Comparative Balance Sheet - Regulatory Basis

## Trust Funds

December 31, 2014 and 2013

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities and Reserves</u>			
Animal License Fund:			
Reserve for Animal License Fund expenditures	B-2	23,786	24,178
Due to State of New Jersey	B-3	65	421
Interfund	B-5	9,786	904
		<u>33,637</u>	<u>25,503</u>
Other Trust Funds:			
Due to State of New Jersey	B-4	75,074	70,254
Interfunds	B-5	304,630	5,124
Reserve for Other Trust Fund Deposits	B-6	12,511,518	10,145,675
		<u>12,891,222</u>	<u>10,221,053</u>
Section 8 - Housing Assistance Program:			
Due to Grantor - Section 8 Housing Assistance	B-8	47,711	47,711
Due to Community Development Block Grant Trust	B-9	459,160	118,170
Reserve for Sect. 8 - Housing Assistance Program	B-7	479,219	569,602
		<u>986,090</u>	<u>735,483</u>
Community Development Block Grant Trust Fund			
Reserve for Community Dev. Block Grant	B-11	1,063,920	889,726
		<u>1,063,920</u>	<u>889,726</u>
		<u>\$ 14,974,869</u>	<u>11,871,765</u>

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31, 2014 and 2013

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash	C-2/C-3	\$ 4,051,501	39,034
Accounts Receivable:			
Port Authority	C-4	1,658,521	1,658,521
NJ DEP	C-4	351,000	951,000
Developer - Maxwell Place Walkway	C-4	101,730	101,730
Green Acres	C-4	400,000	400,000
Hudson County Open Space	C-4		19,974
Interfunds	C-7		1,600,000
Deferred Charges to Future Taxation:			
Funded	C-5	24,011,987	27,963,284
Unfunded	C-6	88,003,005	74,218,025
		<u>\$ 118,577,744</u>	<u>106,951,568</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-8	\$ 23,187,442	26,962,442
Bond Anticipation Notes	C-9	45,802,186	42,009,000
Green Acres Trust Loan Payable	C-10	824,545	1,000,842
Improvement Authorizations:			
Funded	C-11	1,982,601	2,236,925
Unfunded	C-11	38,512,716	24,562,867
Interfunds	C-7	175,146	
Reserve for Encumbrances	C-12	4,535,648	5,683,049
Capital Improvement Fund	C-13	622,827	680,327
Reserve for Hazmat Funds - Due from Grant	C-14	17,630	17,630
Reserve for Green Acres - 1600 Adams Street	C-14	200,000	200,000
Reserve for Green Acres - 1600 Park Avenue	C-14	341,000	341,000
Reserve for Unappropriated Reserve	C-14		283,250
Reserve for Grants Receivable:			
Reconstruction of Pier C	C-14	2,009,521	2,609,521
Impr. to 1600 Park Ave & Hoboken Cove	C-14		19,974
Reserve for Payment of BAN's	C-15	19,974	
Fund Balance	C-1	<u>346,508</u>	<u>344,741</u>
		<u>\$ 118,577,744</u>	<u>106,951,568</u>

There were \$42,200,819 and \$32,209,025 of Bonds and Notes Authorized but Not Issued on December 31, 2014 and December 31, 2013 respectively (Exhibit C-16).

See accompanying notes to the financial statements.

## CITY OF HOBOKEN, N.J.

## Comparative Statement of Changes in Fund Balance - Regulatory Basis

## General Capital Fund

For the Years Ended December 31,

	<u>2014</u>	<u>2013</u>
Balance, December 31,	\$ 344,741	922,151
Increased by:		
Premium on Sale of Bond Anticipation Notes	<u>346,507</u>	<u>344,740</u>
	691,248	1,266,891
Decreased by:		
Budgeted Revenue	<u>344,740</u>	<u>922,150</u>
Balance, December 31,	\$ <u><u>346,508</u></u>	<u><u>344,741</u></u>

See accompanying notes to the financial statements.

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Parking Utility Fund

December 31, 2014 and 2013

		<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Parking Utility Operating Fund:			
Cash	D-4	\$ <u>3,428,838</u>	<u>3,542,415</u>
Total Parking Utility Operating Fund		<u>3,428,838</u>	<u>3,542,415</u>
Capital Fund:			
Cash	D-4	172,342	346,307
Fixed Capital	D-11	45,157,185	45,157,185
Fixed Capital Authorized and Uncompleted	D-12	<u>19,641,120</u>	<u>15,741,120</u>
Total Capital Fund		<u>64,970,647</u>	<u>61,244,612</u>
		\$ <u><u>68,399,485</u></u>	<u><u>64,787,027</u></u>

## CITY OF HOBOKEN, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Parking Utility Fund

December 31, 2014 and 2013

		<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Parking Utility Operating Fund:			
Appropriation Reserves	D-3,6	332,837	523,852
Security Deposits	D-7	233,776	233,776
Accrued Interest on Bonds and Notes	D-8	435,537	435,536
Reserve for Encumbrances	D-9	233,345	525,915
Reserve for Retro Pay - HPU	D-10	255,854	500,000
Fund Balance	D-1	<u>1,937,489</u>	<u>1,323,336</u>
Total Parking Utility Operating Fund		<u>3,428,838</u>	<u>3,542,415</u>
Capital Fund:			
Interfund Accounts Payable:			
Due to General Capital Fund	D-13		1,600,000
Bond Anticipation Notes	D-14	6,788,000	5,494,000
Serial Bonds Payable	D-15	13,925,000	16,295,000
Lease Purchase Agreements Payable	D-16	88,515	141,120
Improvement authorization:			
Unfunded	D-17	7,292,342	14,546,307
Reserve for:			
Amortization	D-18	<u>36,876,790</u>	<u>23,168,185</u>
Total Capital Fund		<u>64,970,647</u>	<u>61,244,612</u>
		<u>\$ 68,399,485</u>	<u>64,787,027</u>

There were \$8,720,000 and \$15,800,000 of Bonds and Notes Authorized But Not Issued on December 31, 2014 and December 31, 2013 respectively (Exhibit D-19).

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

Comparative Statement of Operations and Changes in  
Fund Balance - Regulatory Basis

## Parking Utility Operating Fund

Year Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenue and other income:		
Fund Balance Utilized	\$ 1,182,550	792,223
Revenues Anticipated	15,952,835	14,567,214
Miscellaneous Revenues not Anticipated	14,479	38,879
Unexpended balance appropriation reserve	<u>428,559</u>	<u>235,387</u>
Total revenue and other income	<u>17,578,423</u>	<u>15,633,703</u>
Expenditures:		
Operating	8,487,028	7,574,135
Capital Improvements	112,463	444,000
Debt service	2,160,795	2,374,981
Deferred charges and statutory expenditures	897,218	625,000
Surplus (General Budget)	4,100,000	3,500,000
Refund of Prior Year Revenue	<u>24,216</u>	<u></u>
Total expenditures	<u>15,781,720</u>	<u>14,518,116</u>
Excess in revenues	1,796,703	1,115,587
Fund balance, Beginning	<u>1,323,336</u>	<u>999,972</u>
	3,120,039	2,115,559
Decreased by utilization by parking operating budget	<u>1,182,550</u>	<u>792,223</u>
Balance, Ending	<u>\$ 1,937,489</u>	<u>1,323,336</u>

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Statement of Revenues - Regulatory Basis

## Parking Utility Operating Fund

Year Ended December 31, 2014

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Surplus Anticipated	\$ 1,182,550	1,182,550	
Parking Fees - Continuing Operations	9,315,495	9,674,534	359,039
Permits	1,738,510	2,210,828	472,318
Coupons	252,376	314,350	61,974
Boot Releases	515,594	416,350	(99,244)
Meter Income	2,420,875	2,563,569	142,694
Rentals	74,285	241,151	166,866
Taxi Licenses	100,000	102,788	2,788
Miscellaneous	250,075	429,265	179,190
	<u>\$ 15,849,760</u>	<u>17,135,385</u>	<u>1,285,625</u>
Surplus Anticipated	\$ 1,182,550		
Cash		<u>15,952,835</u>	
		<u>\$ 17,135,385</u>	

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Statement of Expenditures - Regulatory Basis

## Parking Utility Operating Fund

Year Ended December 31, 2014

	Appropriations		Paid or charged	Reserved	Canceled
	Budget	Budget after Modification			
Operating:					
Salaries and Wages	\$ 4,233,026	4,233,026	4,076,167	156,859	
Other Expenses	3,104,002	3,004,002	2,895,524	108,478	
Other Expenses - Group Health Benefits	1,250,000	1,250,000	1,250,000		
Total Operating	8,587,028	8,487,028	8,221,691	265,337	
Capital Improvements					
Capital Outlay	112,463	112,463	112,463		
Total Capital Improvements	112,463	112,463	112,463		
Debt Service:					
Payment of Bond Principal	1,270,000	1,270,000	1,270,000		
Payment of Note Principal	306,000	306,000	306,000		
Interest on Bonds	599,607	599,607	525,354		74,253
Interest on Notes	77,444	77,444	59,440		18,004
	2,253,051	2,253,051	2,160,794		92,257
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Prior Years Bill:					
Propark	6,028	6,028	6,028		
Enterprise Consultants	1,190	1,190	1,190		
Statutory Expenditures - Contribution to:					
Public Employees' Retirement System	400,000	500,000	500,000		
Social Security	300,000	300,000	300,000		
Unemployment Compensation	90,000	90,000	22,500	67,500	
Total Deferred Charges and Statutory Expenditures	797,218	897,218	829,718	67,500	
Surplus (General Budget)	4,100,000	4,100,000	4,100,000		
	\$ 15,849,760	15,849,760	15,424,666	332,837	92,257
			Cash Disbursed \$ 14,606,527		
			Encumbered 233,345		
			Accrued Interest 584,794		
			\$ 15,424,666		

See accompanying notes to financial statements.

## CITY OF HOBOKEN, N.J.

## Comparative Statement of General Fixed Assets-Regulatory Basis

December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
General Fixed Assets:		
Land	\$ 14,559,670	14,141,602
Buildings and Improvements	37,637,848	37,329,488
Equipment	4,917,430	4,073,269
Vehicles	<u>10,640,425</u>	<u>10,257,224</u>
	<u>67,755,373</u>	<u>65,801,583</u>
Investment in General Fixed Assets	\$ <u>67,755,373</u>	<u>65,801,583</u>

See accompanying notes to financial statements.

**CITY OF HOBOKEN  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the City of Hoboken have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is another comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the City accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

**A. Reporting Entity**

The City of Hoboken (the "City") operates under a Mayor/Council form of government. The City's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the City do not include the Public Library, which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation**

The City uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain City functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The City has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the City as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the City as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Fund - This fund is used to account for fees collected from animal licenses and expenditures, which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Parking Utility Fund - This fund is used to account for revenues and expenditures for operation of the City's parking garage and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities are accounted for in the capital section of the fund.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)**

General Fixed Assets Account Group - To account for all fixed assets of the City. The City's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the City of Hoboken. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the City. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on the 11<sup>th</sup> day of the 11<sup>th</sup> month of the current year that taxes are levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the City. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the City's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the City's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and the Parking Utility Operating Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the City and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The City is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Parking Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than August 10, of the fiscal year. The budget shall be adopted not later than September 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted.

Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Basis of Accounting, (continued)

During the year ended December 31, 2014, the Council approved additional revenues and appropriations of \$2,776,693 in accordance with N.J.S.A. 40A:4-87. In addition, several budget transfers were approved by the governing body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31 are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Basis of Accounting, (continued)

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost which approximates fair value and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the City establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the City may levy taxes on all taxable property within the local unit to repay the debt. Annually, the City raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The City of Hoboken has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Basis of Accounting, (continued)

Use of Estimate - The preparation of financial statements requires management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The City presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

Cash

Custodial Credit Risk - Deposits

Custodian credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2014 and 2013, \$-0- of the City's bank balance of \$55,233,577 and \$49,435,223, respectively, were exposed to custodial credit risk.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)**

**Investments**

**Investment Rate Risk**

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**Credit Risk**

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the City or bonds or other obligations of the local unit or units within which the City is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

**Concentration of Credit Risk**

The City places no limit on the amount the City may invest in any one issuer.

**NOTE 3. MUNICIPAL DEBT**

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Bonds Payable:</b>					
General Obligation Debt	\$26,962,442	\$	\$3,775,000	\$23,187,442	\$4,010,000
Parking Utility Obligation Debt	<u>16,295,000</u>	<u>10,980,000</u>	<u>13,350,000</u>	<u>13,925,000</u>	<u>1,295,000</u>
Total Bonds Payable	<u>43,257,442</u>	<u>10,980,000</u>	<u>17,125,000</u>	<u>37,112,442</u>	<u>5,305,000</u>
<b>Other Liabilities:</b>					
Green Acres Trust Loan	1,000,842		176,297	824,545	179,841
Pension Deferrals Payable	2,838,616		180,199	2,658,417	198,410
Compensated Absences Payable	* 9,845,460	10,967	2,140,270	7,716,157	
Total Other Liabilities	<u>13,684,918</u>	<u>10,967</u>	<u>2,496,766</u>	<u>11,199,119</u>	<u>378,251</u>
	<u>\$56,942,360</u>	<u>\$10,990,967</u>	<u>\$19,621,766</u>	<u>\$48,311,561</u>	<u>\$5,683,251</u>

\* - Balance was adjusted to reflect actual amounts outstanding. The prior year was estimated and did not reflect actual amounts of accumulated absences.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the City are general obligation bonds, backed by the full faith and credit of the City. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The City's debt is summarized as follows:

	Year Ended December 31, <u>2014</u>	Year Ended December 31, <u>2013</u>	Year Ended December 31, <u>2012</u>
Issued:			
General Bonds, Notes and Loans	\$69,814,173	\$69,972,284	\$74,585,377
Parking Utility Bonds, Notes and Loans	20,713,000	21,789,000	23,345,000
Local School District Debt			<u>268,280</u>
Net Debt Issued	<u>90,527,173</u>	<u>91,761,284</u>	<u>98,198,657</u>
Authorized But Not Issued:			
General Bond and Notes	42,200,819	32,209,025	27,907,301
Parking Utility Bonds and Notes	<u>8,720,000</u>	<u>15,800,000</u>	<u>1,800,000</u>
Total Authorized But Not Issued	<u>50,920,819</u>	<u>48,009,025</u>	<u>29,707,301</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$141,447,992</u>	<u>\$139,770,309</u>	<u>\$127,905,958</u>

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.011% for 2014.

<u>2014</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Parking Utility Debt	\$29,433,000	\$29,433,000	\$
General Debt	112,014,992	360,974	111,654,018
	<u>\$141,447,992</u>	<u>\$29,793,974</u>	<u>\$111,654,018</u>

Net Debt \$111,654,018 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$11,040,012,592 equals 1.011%.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENTS,**  
**(continued)**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 1.005% for 2013.

<u>2013</u>	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Parking Utility Debt	\$37,589,000	\$37,589,000	\$
General Debt	<u>102,181,309</u>	<u>341,000</u>	<u>101,840,309</u>
	<u>\$139,770,309</u>	<u>\$37,930,000</u>	<u>\$101,840,309</u>

Net Debt \$101,840,309 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$10,132,594,885 equals 1.005%.

**BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED**

	<u>2014</u>	<u>2013</u>
3 ½% of equalized valuation basis (municipal)	\$354,640,821	\$354,640,821
Net Debt	<u>111,654,018</u>	<u>101,840,309</u>
Remaining borrowing power	<u>\$242,986,803</u>	<u>\$252,800,512</u>

**CALCULATION OF "SELF-LIQUIDATING PURPOSE", PARKING UTILITY PER**  
**N.J.S.A. 40A:2-45**

	<u>2014</u>	<u>2013</u>
Cash receipts from fees, rents or other charges for year	\$17,149,864	\$15,398,316
Deductions:		
Operating and Maintenance Cost	9,377,028	8,199,135
Debt Service	<u>2,160,794</u>	<u>2,374,981</u>
Total Deductions	<u>\$11,537,822</u>	<u>\$10,574,116</u>
Excess in Revenue - Self Liquidating	<u>\$5,612,042</u>	<u>\$4,824,200</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The City's long term debt consisted of the following at December 31, 2014 and 2013:

	<u>Amount Outstanding</u>	
	<u>2014</u>	<u>2013</u>
<u>General Obligation Bonds - Paid by Current Fund</u>		
\$7,382,000 Early Retirement Pension Refunding Bonds - with an interest rate of 5.45% to 7.14%, issued August 1, 2003, due through April 1, 2033	\$6,787,442	\$6,972,442
\$38,325,000 Refunding Serial Bonds - with an interest rate of 5.45% to 6.00%, issued November 1, 2003, due through February 1, 2018	<u>16,400,000</u>	<u>19,990,000</u>
Total General Serial Bonds	<u>\$23,187,442</u>	<u>\$26,962,442</u>

Green Acres Loans - Paid By Current Fund

The City has three outstanding loan agreements with New Jersey Green Acres Bond Act of 1983 for the Little League Field, North Park, Castle Point Park and Multiple Park Project as follows:

	<u>Amount Outstanding</u>	
	<u>2014</u>	<u>2013</u>
The 2000 Little League Field and North Park award is a rate of 2.0%, in the amount of \$1,500,000 with semi-annual loan payments of various amounts made on July 29 and January 29 through January 29, 2016	\$157,611	\$260,101
The 2003 Castle Point Park project award is at a rate of 2.0%, in the amount of \$375,000 with semi-annual loan payments of various amounts made on September 6 and March 6 through March 6, 2022	161,658	181,446
The 2005 Multiple Park Project award is at a rate of 2.0%, in the amount of \$1,000,000 with semi-annual loan payments of various amounts made on September 22 and March 22 through March 22, 2023	<u>505,276</u>	<u>559,295</u>
Total Green Acres Loans	<u>\$824,545</u>	<u>\$1,000,842</u>

Parking Utility Bonds - Paid by Parking Utility Fund

	<u>Amount Outstanding</u>	
	<u>2014</u>	<u>2013</u>
\$26,530,000 Parking Utility General Obligation Bonds Series 2002 - with an interest rate of 3.80% to 5.25% issued January 1, 2003, due through January 1, 2023	<u>\$13,925,000</u>	<u>\$16,295,000</u>
Total Parking Utility Bonds	<u>\$13,925,000</u>	<u>\$16,295,000</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 3. MUNICIPAL DEBT, (continued)**

The City's principal and interest for bonded debt and loans issued and outstanding as of December 31, 2014 is as follows:

	General Capital				Parking Utility		
	General Bonds		Green Acres Loan		Parking Bonds		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2015	\$4,010,000	\$1,106,675	\$179,841	\$15,596	\$1,295,000	\$438,094	\$7,045,206
2016	4,260,000	884,604	129,865	11,981	1,320,000	410,200	7,016,650
2017	4,495,000	649,374	78,348	9,907	1,365,000	363,100	6,960,729
2018	4,760,000	400,634	79,923	8,332	1,420,000	307,400	6,976,289
2019	360,000	260,975	81,529	6,726	1,550,000	425,763	2,684,993
2020-2024	2,400,000	887,900	275,040	10,534	6,975,000	1,133,074	11,681,548
2025-2029	2,079,133	3,072,880					5,152,013
2030-2033	823,310	5,096,690					5,920,000
	<u>\$23,187,443</u>	<u>\$12,359,732</u>	<u>\$824,546</u>	<u>\$63,076</u>	<u>\$13,925,000</u>	<u>\$3,077,631</u>	<u>\$53,437,428</u>

**NOTE 4. BOND ANTICIPATION NOTES**

The City issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2014 and 2013, the City had \$45,802,186 and \$42,009,000, respectfully, in outstanding General Capital Bond Anticipation Notes. The City also had \$6,788,000 and \$5,494,000 of Parking Utility Capital Bond Anticipation Notes.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 4. BOND ANTICIPATION NOTES, (continued)**

The following activity related to bond anticipation notes occurred during the periods ended December 31, 2014 and 2013:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Capital Fund (through Hudson County Improvement Authority)	\$42,009,000	\$45,802,186	\$42,009,000	\$45,802,186
Parking Utility Capital Fund (through Hudson County Improvement Authority)	<u>5,494,000</u>	<u>6,788,000</u>	<u>5,494,000</u>	<u>6,788,000</u>
	<u>\$47,503,000</u>	<u>\$52,590,186</u>	<u>\$47,503,000</u>	<u>\$52,590,186</u>

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
General Capital Fund (through Hudson County Improvement Authority)	\$42,894,270	\$42,009,000	\$42,894,270	\$42,009,000
Parking Utility Capital Fund (through Hudson County Improvement Authority)	<u>5,800,000</u>	<u>5,494,000</u>	<u>5,800,000</u>	<u>5,494,000</u>
	<u>\$48,694,270</u>	<u>\$47,503,000</u>	<u>\$48,694,270</u>	<u>\$47,503,000</u>

**NOTE 5. SPECIAL EMERGENCY NOTES**

Following the adoption of an ordinance or resolution for special emergency appropriations, the City may borrow money and issue special emergency notes which may be renewed from time to time, but at least 1/3 or 1/5 of all such notes and the renewal thereof, shall mature and be paid in each year so that all notes have been paid by the end of the third or fifth year following the date of the special emergency resolution.

On December 31, 2014 and 2013, the City had \$4,965,000 and \$6,440,000, respectfully, in outstanding Current Fund Special Emergency notes.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 5. SPECIAL EMERGENCY NOTES, (continued)**

The following activity related to special emergency notes occurred during the calendar years ended December 31, 2014 and 2013:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
Cede & Co.	<u>\$6,440,000</u>	<u>\$4,605,000</u>	<u>\$6,440,000</u>	<u>\$4,605,000</u>

	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Depository Trust Company	<u>\$8,050,000</u>	<u>\$6,440,000</u>	<u>\$8,050,000</u>	<u>\$6,440,000</u>

**NOTE 6. OPERATING LEASES PAYABLE**

The City has entered into Operating Lease Purchase Agreements for the acquisition of snow removal equipment and automatic license plate readers for the Parking Utility. Principal and interest payments for the equipment are due annually through 2018. The following is a schedule of the future minimum lease payments under the agreements, and the present value of the net minimum lease payments at December 31, 2014:

Year Ending		<u>Automatic License</u> <u>Plate Readers</u>		<u>Snow Removal</u> <u>Equipment</u>	
<u>December 31,</u>	<u>Amount</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2015	\$50,077	\$21,338	\$2,153	\$24,658	\$1,928
2016	50,077	21,857	1,634	25,285	1,301
2017	50,076	22,388	1,102	25,927	659
2018	<u>23,491</u>	<u>22,933</u>	<u>558</u>	<u>      </u>	<u>      </u>
	<u>\$173,721</u>	<u>\$88,516</u>	<u>\$5,447</u>	<u>\$75,870</u>	<u>\$3,888</u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 7. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. The following deferred charges are shown on the balance sheets of the City of Hoboken:

	Balance Dec. 31.	Subsequent Year Budget Appropriation	Balance Succeeding Year Budget
<u>2013</u>			
Current Fund:			
Special Emergency Authorizations:			
Revaluation of Real Property	\$1,040,000	\$485,000	\$555,000
Hurricane Sandy	5,400,000	1,350,000	4,050,000
Hurricane Sandy Amendment	<u>480,000</u>	<u>120,000</u>	<u>360,000</u>
Total Deferred Charges	<u>\$6,920,000</u>	<u>\$1,955,000</u>	<u>\$4,965,000</u>
	Balance Dec. 31.	Subsequent Year Budget Appropriation	Balance Succeeding Year Budget
<u>2014</u>			
Current Fund:			
Special Emergency Authorizations:			
Revaluation of Real Property	\$555,000	\$185,000	\$370,000
Hurricane Sandy	4,050,000	1,350,000	2,700,000
Hurricane Sandy Amendment	<u>360,000</u>	<u>120,000</u>	<u>240,000</u>
Total Deferred Charges	<u>\$4,965,000</u>	<u>\$1,655,000</u>	<u>\$3,310,000</u>

**NOTE 8. PENSION PLANS**

Description of Systems

Substantially all of the City's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Description of Systems, (continued)

*Public Employees' Retirement System (PERS), (continued)*

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

*Police and Firemens' Retirement System (PFRS), (continued)*

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The City's contribution to the various plans, equal to the required contributions for each year, were as follows:

	<u>PERS</u>	<u>PFRS</u>
December 31, 2014	\$1,401,821	\$6,249,271
December 31, 2013	1,573,815	6,269,414
December 31, 2012	1,549,592	6,468,188

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 8. PENSION PLANS, (continued)**

Defined Contribution Retirement Program, (continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

**NOTE 9. ACCUMULATED VACATION AND SICK PAY**

Under the existing policies and labor agreements of the City, employees are allowed to accumulate (with certain restrictions) sick pay over the life of their working careers. Employees are allowed to accumulate unused vacation pay and redeem such unused time in cash (with certain limitations) upon death or retirement.

The estimated accumulated vacation time liability as of December 31, 2014 and 2013 was \$7,716,157 and \$9,845,460, respectively.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 10. FIXED ASSETS**

The following is a summary of General Fixed Assets Account Group as of December 31, 2014:

	Restated Balance <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2014</u>
Land	\$14,141,602	\$418,068	\$	\$14,559,670
Building and Improvements	37,329,488	308,360		37,637,848
Equipment	4,073,269	844,161		4,917,430
Vehicles	<u>10,257,224</u>	<u>513,678</u>	<u>130,477</u>	<u>10,640,425</u>
	<u>\$65,801,583</u>	<u>\$2,084,267</u>	<u>\$130,477</u>	<u>\$67,755,373</u>

**NOTE 11. DUE TO/FROM OTHER FUNDS**

Balances due from/to other funds at December 31, 2014 consist of the following:

\$105,000	Due to Community Development Trust Fund from the Federal and State Grant Fund for reimbursement of expenses.
9,786	Due to the Current Fund from the Animal License Trust Fund for statutory excess.
400	Due to the Current Fund from the Other Trust Fund for reimbursement of expenses.
775	Due to the Current Fund from the Escrow Trust Fund for interest earnings.
204,975	Due to the Current Fund from the Federal and State Grant Fund for reimbursement on expenses and net cancellations.
827	Due to the Current Fund from the Flexible Spending Fund for reimbursement of expenses paid.
53,070	Due to the Federal and State Grant Fund from the Law Enforcement Trust Fund for grant match.
250,000	Due to the Federal and State Grant Fund from the Open Space Trust Fund for grant match.
175,146	Due to the Federal and State Grant Fund from the General Capital Fund for grant match.
<u>5</u>	Due to the Section 8 Housing Trust Fund from the Current Fund for reimbursement of expenses paid
<u>\$799,984</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 12. RISK MANAGEMENT**

The City is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has obtained insurance coverage to guard against these events which will provide minimum exposure to the City should they occur. During the 2014 calendar year, the City did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The City of Hoboken is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City of Hoboken is a member of the Garden State Municipal Joint Insurance Fund (the "JIF"). The JIF is a self-administered group of municipalities established for the purpose of providing certain low-cost general liability, automobile liability and workers' compensation insurance coverage for member municipalities. The City of Hoboken pays an annual assessment to the JIF and should it be determined that payments received by the JIF are deficient, additional assessments may be levied.

The JIF can declare and return excess surplus to members upon approval of the State of New Jersey Department of Insurance. These distributions would be divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Statement No. 10 of the Government Accounting Standards Board, these distributions may be used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

The JIF's members are also members of the New Jersey Municipal Environmental Risk Management Fund which provides commercial insurance coverage for environmental impairment liability.

The JIF provides Property coverage (i.e. Boiler and Machinery, Flood, Valuable Papers, etc.) to its members by participating in a state-wide joint purchase program arranged by the MEL acting as a lead agency.

Financial statements for the Funds are available at the office of the Funds' Executive Director, Conner Strong/PERMA Risk Management Services.

The City of Hoboken continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 13. TAXES COLLECTED IN ADVANCE**

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance <u>Dec. 31, 2014</u>	Balance <u>Dec. 31, 2013</u>
Prepaid Taxes	<u>\$1,391,471</u>	<u>\$858,214</u>
Cash Liability for Taxes Collected in Advance	<u>\$1,391,471</u>	<u>\$858,214</u>

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES**

We are advised by the City Counsel that the City is involved in several legal suits. These legal proceedings are not likely to have a material adverse impact on the affected funds of the City. The following matters were identified by City Counsel to have significant risk exposure:

**City of Hoboken v. Ponte Equities, Inc., et al.**  
**Docket No. L-4095-12**

This matter commenced with the filing of a Verified Complaint in eminent domain on August 23, 2012 to acquire several lots in Block 12 in return for the payment of compensation of \$2.35 M. to the property owners. The matter was dismissed without prejudice on January 3, 2013 and several actions were ordered to be taken by the Court. The January 3, 2013 Order also allowed the City to move to reinstate the Complaint or an Amended Complaint after the terms of the Order were fulfilled.

The City moved to reinstate the Complaint and other related relief. On August 14, 2013, the Honorable Peter F. Bariso ordered that an Amended Complaint be reinstated to acquire said property for the increased amount offered by the City of \$2.937M. and that three disinterested Commissioners be appointed to establish the value of the property. The Court further ordered that the City pay Defendants reasonable counsel fees for bringing the original motion to dismiss the City's Complaint. Defendant's counsel filed an Affidavit of Services with the Court and the City challenged the reasonableness thereof. The Court reduced the requested counsel fees from \$64,776 to \$16,118.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

In reinstating the complaint, the Court established a pre-Commissioner's hearing to determine the date of valuation. Defendants sought to have the date of valuation set at June 11, 2008, the date that the City took certain actions that allegedly detrimentally impacted the value of the property. The hearing was held in January, 2014 and by Order and Opinion issued in February, 2014, the Court denied Defendant's request, setting the valuation date as August 23, 2012, the date the original Verified Complaint was filed.

The Commissioners' Hearing was held in December, 2014 and the Commissioners issued a report by the end of the year establishing the value of the parcel acquired by the City at \$5.4 M. In the post-balance period, both the City and the property owner have filed appeals to the Commissioners' determination. A Case Management Conference was held during the post-balance period and a Case Management Order entered which establishes a trial date in the proceeding on or about September 14, 2015.

It should be noted that the City contended that the value of the property on the valuation date was \$2.560 M., while the property owner contended that the property was valued at \$9.360 M., discounted \$7.956 M. because approvals upon which that value was based had not been obtained. At the appeal, the Commissioners' award is not evidentiary and the proceeding is heard *de novo* by a jury. At this juncture, it is unknown whether the property owner will continue to contend that the value of the property is \$9.360 M., discounted to \$7.956 M. or that the City will continue to contend that the property is valued at \$2.560 M.

**DeNardo v. City of Hoboken - HUD-L-00690-10**

Plaintiff's filed a class action lawsuit against the City of Hoboken indicating that for the last 25 years the City has engaged in a violation of the civil property rights of all landowners by its confiscatory application of the Chapter 155-1 et seq. – the Rental Control Ordinance. The Class Plaintiff's allege that the City Administered Rent Control in an arbitrary, capricious and unreasonable manner. The Complaint alleges the following three causes of action:

Count I – alleges violations of the New Jersey Civil Rights Act through the confiscatory application of the Ordinance.

Count II – alleges violations of civil rights under 42 U.S.C. §§ 1983 and 1988 through the confiscatory application of the Ordinance.

Count III – seeks injunctive relief against the continued enforcement of the Rent Control Ordinance.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

The City's exposure in this matter could be well in excess of \$32,000 and could be \$1,000,000 or higher since damages are sought for an entire class of Plaintiffs. On June 11, 2013 this firm obtained a complete dismissal of the lawsuit by the Hudson County Superior Court – Law Division. Plaintiffs filed a motion for reconsideration which was denied.

The matter is currently on appeal, having been fully briefed, at the Appellate Division. Oral arguments are expected during 2015.

**Tartaglia v. City of Hoboken**

This matter was argued on December 12, 2013, and Plaintiff's prevailed. The City's financial exposure is \$1,740,671, of which \$389,898 was paid in 2014. The remaining balance of one million, three hundred fifty thousand, seven hundred and seventy three dollars (\$1,350,773) will be paid over the next two years (2015-2016).

**Jonathan Cummins v. City of Hoboken**

This matter is before the Appellate Division. Cummins was terminated after a breach in email security was linked to the I.T. department. Should Cummins be reinstated, the City's financial exposure for back-pay is estimated at one-hundred forty thousand dollars (\$140,000).

**Judith Smith and Ivy Baron v. City of Hoboken**

**Docket No. HUD-L-5005-13**

**Ramos, 107 Jefferson Street**

**Moyeno, 105 Jefferson Street**

These actions all involve damage allegedly caused by a spill from an underground storage tank located on City owned property where the Boys & Girls Club is located. These matters are in the early stages of discovery. An Answer as well as a Third Party Complaint have now been filed. Investigative work as well as expert testing along with title work will then be performed. The City anticipates motion practice based upon the City's possible exemption from certain Spill Act liability. The City further anticipates disputes over discovery and motion practice concerning same.

As detailed in recent correspondence with the City, Counsel for the Plaintiffs has reached out to discuss settlement. Settlement would involve assisting the home owners in obtaining grants to pay for any required site remediation. The City's Construction Officer has also recently performed a site visit and is working with structural engineers for the Plaintiffs to determine if the subject parcels contain "unsafe structures". Depositions of multiple experts and plaintiffs will also be required.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 14. COMMITMENTS AND CONTINGENT LIABILITIES, (continued)**

The Plaintiffs have not yet made a monetary demand. Answers to interrogatories indicate approximately \$800,000 in potential damages.

**Angel Alicea v. Dawn Zimmer and the City of Hoboken**  
**Superior Court of New Jersey, Law Division, Hudson County**  
**Docket No. L-005680-11**

1. On December 12, 2013, the trial judge dismissed the CEPA claim against both Defendants. On December 18, 2013, a jury found that Mayor Dawn Zimmer was not liable for violating the NJLAD, found that the City was liable for violating the NJLAD and awarded compensatory damages in the amount of \$440,000. On January 2, 2014, the jury awarded the Plaintiff an additional \$625,000 in punitive damages. On March 6, 2014, the Court awarded Plaintiff's counsel \$132,605 in legal fees and costs.
2. In conjunction with its liability carrier, the City settled all claims in this matter with the Plaintiff in 2014 and the City's direct contribution to the settlement was limited to \$200,000.

**Tax Appeals**

There were approximately 230 tax appeal cases pending at the State Tax Court at December 31, 2014. These cases, when resolved, will be paid by future taxation or reserve for tax appeals. The reserve for tax appeals at December 31, 2014 has a balance of \$617,069.

**Bad-faith Layoffs/Terminations**

The City is involved with a number of cases for reinstatement and back-pay. The estimated liability is \$1,000,000.

**NOTE 15. DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY**

The Hoboken Parking Authority ("HPA") initiated legal action against the Marina View Housing Company No. 1 for nonpayment of amounts due under the garage agreement dated April 25, 1973. On February 27, 1978, HPA and the Marina View Housing Company No. 1 reached a settlement under which it was agreed that the Marina View Housing Company No. 1 owed \$192,400 for all periods through December 31, 1977. The agreement also reduced the current monthly payment from \$13,336 to \$5,413, effective January 1, 1978.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 15. DUE TO HOBOKEN PARKING AUTHORITY/HOBOKEN PARKING UTILITY,**  
**(continued)**

By further agreements dated May 12, 1978 and April 15, 1980, entered into by HPA and the Marina View Housing Company No. 1, payment of the original settlement of \$192,400 and the revised current monthly payment have been deferred until such time as there is "surplus cash," as defined in the agreements, available to the Marina View Housing Company No. 1.

The Marina View Housing Company No. 1 has accrued the revised monthly payment since January 1, 1978. The related expense recognized under this agreement, for each of the years ending December 31, 2014 and December 31, 2013, was \$64,950. The aggregate amount due to HPA is \$2,490,016 and \$2,425,066 as of December 31, 2014 and December 31, 2013, respectively.

**NOTE 16. FUND BALANCES**

Fund balances as of December 31, 2014 that have been anticipated as revenue in the 2015 budget is as follows:

Current Fund	\$9,000,000
Public Parking System Utility Operating Fund	\$1,650,000

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS**

**Plan Description**

The City provides a post-employment healthcare plan for its eligible retirees and their spouses. The plan is a single-employer defined benefit healthcare plan administered by the City. In accordance with City ordinances, contracts and/or policies, the City provides payment of insurance premiums after retirement upon request by the retiree the entire cost of the premiums for health insurance selected by the City which shall include administrative fees and eligible dependents who have retired after 25 years or more of service credit in a State administered retirement system and a period of 25 years with the City at the time of retirement; or who have retired and reached the age of 65 years or older with 25 years or more of service credit in a State administered retirement system and a period of service of 15 years with the City at the time of retirement.

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS, (continued)**

The City shall assume upon request by the retiree fifty (50%) percent of the costs for health insurance premiums selected by the City which shall include administrative fees and eligible dependents for retirees from a State administered retirement system who have retired and reached the age of 62 years or older with at least 15 years of service with the City; or who have retired on a disability pension with at least 10 years of service with the City.

**Covered Benefits**

Medical, prescription drugs, dental and vision benefits are offered to certain pre-65 and post-65 retirees on a fully insured basis through Horizon Blue Cross Blue Shield of New Jersey. Upon completing twenty-five (25) years of service, retiree is eligible for full coverage including medical, pharmacy, dental, and vision benefits. If employee retires at age 62 or later with 20 to 24 years of service, then eligible for medical and pharmacy benefits only. Retirees and spouses that are eligible for Medicare receive reimbursements for their Medicare Part B premium payments.

The number of retirees receiving premium-free benefits as of January 1, 2013, the effective date of the biannual Other Post-Employment Benefit, herein referred to as "OPEB", valuation is 482. Active employees number 984 as of the same valuation date.

**Funding Policy**

The required contribution is funded on a pay-as-you-go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

Annual Required Contribution	\$33,259,803
Total Annual OPEB Cost (Expense)	33,259,803
Contributions Made	<u>(10,268,335)</u>
Increase in Net OPEB Obligation	22,991,468
Net OPEB Obligation -- Beginning of Year	<u>22,991,468</u>
Net OPEB Obligation -- End of Year	<u><u>\$45,982,936</u></u>

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS, (continued)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years 2014, 2013 and 2012 were as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost Contributed</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligations</u>
December 31, 2014	\$10,268,835	22.33	\$45,982,936
December 31, 2013	10,268,335	30.87	22,991,468
December 31, 2012	7,670,000	25.17	22,801,517

**Funded Status and Funding Progress**

As of December 31, 2013 the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$458,114,337, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$458,114,337.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan member) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the efforts of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2014, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions include a 5.0 percent investment rate of return (net of administrative expense) which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the

**CITY OF HOBOKEN**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**  
**(continued)**

**NOTE 17. POST RETIREMENT MEDICAL BENEFITS, (continued)**

funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10 percent initially, reduced by decrements to an ultimate rate of 5 percent after five years. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investment over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2014 was 30 years.

**NOTE 18. SUBSEQUENT EVENTS**

The City has evaluated subsequent events through April 20, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

## **SUPPLEMENTARY DATA AND SCHEDULES**

## CITY OF HOBOKEN

### Supplementary Data

#### Officials in Office and Surety Bonds

The following officials were in office during the period under audit.

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Dawn Zimmer	Mayor	
Jennifer Giattino	Council President	
Ravinder Bhalla	Councilmember	
David Mello	Councilmember	
Theresa Castellano	Councilmember	
Elizabeth Mason	Councilmember	
Michael Russo	Councilmember	
James Doyle	Councilmember	
Tim Occhipinti	Councilmember	
Peter Cunningham	Councilmember	
Quentin Wiest	Business Administrator	(A)
James J. Farina	City Clerk	(A)
George DeStefano	Chief Financial Officer	(A)
Sharon Curran	Tax Collector	(A)
Michael Mongiello	Municipal Court Judge	(A)
Cataldo Fazio	Municipal Court Judge	(A)
Kerri Azzoline	Municipal Court Administrator	(A)

A - Public Employee Dishonesty Bond, in the amount of \$1,000,000, covers all employees except those required to file statutory bonds

# CITY OF HOBOKEN

## Supplementary data

### Comparative Schedule of Tax Rate Information

	Year ended December 31, <u>2014</u>	Year ended December 31, <u>2013</u>	Year ended December 31, <u>2012</u>
Tax rate	<u>1.428 *</u>	<u>4.798</u>	<u>4.750</u>
Apportionment of tax rate:			
Municipal	0.522	1.803	1.841
School	0.352	1.241	1.238
County	<u>0.554</u>	<u>1.754</u>	<u>1.671</u>

### Assessed Value

2014	\$ 11,025,106,894 *
2013	3,029,016,830
2012	2,969,743,789

\* - Revaluation

### Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Currently</u> Percentage of Collection
2014	\$ 158,544,612	157,083,767	99.08%
2013	146,136,303	144,492,333	98.88%
2012	145,788,683	141,501,181	97.06%

### Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentages, of the total of delinquent taxes and tax title liens in relation to the tax levies of the last three years.

<u>Dec. 31</u>	<u>Amount of delinquent taxes</u>	<u>Tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2014	\$ 913,514	432,106	1,345,620	0.85%
2013	1,164,281	426,922	1,591,203	1.09%
2012	1,545,434	422,339	1,967,773	1.35%

# CITY OF HOBOKEN

## Supplementary data

### Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2014 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2014	\$ 2,806,900
2013	2,806,900
2012	2,806,900

### Comparative Schedule of Fund Balance

	<u>Year</u>	<u>Dec. 31</u>	Utilized in budget of succeeding <u>year</u>
Current Fund			
Twelve Months ended December 31, 2014 \$	21,410,963		9,000,000
Twelve Months ended December 31, 2013	22,454,044		9,838,522
Twelve Months ended December 31, 2012	19,221,457		9,838,522
Twelve Months ended December 31, 2011	19,104,592		6,012,671
Six Months ended December 31, 2010	25,850,342		9,585,000
Parking Utility Operating Fund			
Twelve Months ended December 31, 2014 \$	1,937,489		1,650,000
Twelve Months ended December 31, 2013	1,323,336		1,182,550
Twelve Months ended December 31, 2012	999,972		792,223
Twelve Months ended December 31, 2011	1,514,128		1,474,500
Six Months ended December 31, 2010	4,008,783		3,972,791

## CITY OF HOBOKEN, N.J.

## Cash Receipts and Disbursements -Treasurer

## Current Fund

Year Ended December 31, 2014

	Current <u>Fund</u>	Federal and State Grant <u>Fund</u>
Balance December 31, 2013	\$ 30,772,104	526,298
Increased by Receipts:		
Tax Collector	157,352,036	
Miscellaneous Revenue Not Anticipated	181,174	
Interfunds Received	956,028	46,000
Due From State of New Jersey	31,843	
Revenue Accounts Receivable	42,639,645	
Tax Overpayments	618,840	
Prepaid Taxes	1,391,471	
Various Reserves	219,113	
Unappropriated Reserves for Grants		107,073
State and Federal Grants Receivable		1,901,085
	<u>203,390,150</u>	<u>2,054,158</u>
	234,162,254	2,580,456
Decreased by:		
Current Year Budget Appropriations	94,075,505	
Appropriation Reserves	3,679,267	
Tax Overpayments	197,447	
County Taxes Payable	61,205,909	
Local District School Taxes	38,751,215	
Accounts Payable	68,036	
Various Reserves	4,311,278	
Interfunds	21,144	950,000
Special Emergency Notes	1,835,000	
Revenue Refunds	93,642	
Appropriated Reserves for Grants		996,255
Encumbrances Payable		633,755
	<u>204,238,443</u>	<u>2,580,010</u>
Balance December 31, 2014	\$ <u>29,923,811</u>	<u>446</u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Cash - Change Fund**  
**Current Fund**  
**Year Ended December 31, 2014**

Balance December 31, 2013	\$ <u>400</u>
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Balance December 31, 2014	\$ <u><u>400</u></u>
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Analysis of Balance:

Tax Collector	\$ 300
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Construction Code	<u>100</u>
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	\$ <u><u>400</u></u>
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**Exhibit A-6****CITY OF HOBOKEN, N.J.****Schedule of Amount Due from/(to) State of New Jersey  
for Senior Citizens' and Veterans' Deductions - CH. 129 P.L. 1976****Current Fund****Year Ended December 31, 2014**

Balance December 31, 2013	\$	38,743
Increased by:		
Senior Citizens' Deductions Per Tax Billing	\$	6,500
Veterans' Deductions Per Tax Billing		26,750
Senior Citizen's, Veteran's, and Disabled Allowed		<u>500</u>
		33,750
		72,493
Decreased by:		
State Share of Senior Citizens and Veteran Deductions Received in Cash		<u>31,843</u>
Balance December 31, 2014	\$	<u>40,650</u>

**Exhibit A-7****Schedule of Amount Due from/(to) State of New Jersey****Year Ended December 31, 2014**

Balance December 31, 2013	\$	4,122,733
Increased by:		
Anticipated Revenue		<u>4,659,120</u>
		8,781,853
Decreased by:		
Qualified Debt Payments		<u>4,559,793</u>
Balance December 31, 2014	\$	<u>4,222,060</u>
Qualified Bond Aid	\$	<u>4,222,060</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Taxes Receivable and Analysis of Property Tax Levy

## Current Fund

Year Ended December 31, 2014

Period	Balance, December 31, 2013	Levy	Collected	2014	Senior Citizen and Veteran Deductions	Tax Overpayments Applied	Transferred to Tax Title Liens	Canceled	Balance, Dec. 31, 2014
2012	250							250	
2013	1,164,031			1,160,233				3,798	
	1,164,281			1,160,233				4,048	
2014		158,544,612	838,214	156,191,803	33,750	6	5,277	542,048	913,514
	\$ 1,164,281	158,544,612	838,214	157,352,036	33,750	6	5,277	546,096	913,514

## Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 157,336,270
Added/Omitted Taxes	1,208,342
	<u>\$ 158,544,612</u>

Tax Levy:	
Local District School Tax	\$ 38,733,326
Municipal Open Space Taxes	2,221,882
County Tax	\$ 60,912,565
County Added and Omitted Taxes	468,637
	<u>61,381,202</u>
	102,336,410

Local Tax for Municipal Purposes	55,485,354
Additional Taxes	722,848
	<u>56,208,202</u>
	<u>\$ 158,544,612</u>

Exhibit A-9

CITY OF HOBOKEN, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2014

Balance December 31, 2013	\$ 426,922
Increased by:	
Transfers from Taxes Receivable	<u>5,184</u>
Balance December 31, 2014	<u>\$ 432,106</u>

Exhibit A-10

Schedule of Property Aquired for Taxes

Current Fund

Year Ended December 31, 2014

Balance December 31, 2013	\$ <u>2,806,900</u>
Balance December 31, 2014	<u>\$ 2,806,900</u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Water Liens Receivable**

**Current Fund**

**Year Ended December 31, 2014**

Balance December 31, 2013	\$	945
Increased by:		
Transfers from Taxes Receivable		<u>93</u>
Balance December 31, 2014	\$	<u><u>1,038</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2014

<u>Source</u>	Balance December 31, <u>2013</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2014</u>
Licenses and Fees:				
Alcoholic Beverages	\$	311,900	311,900	
Other		32,188	32,188	
Fees and Permits		266,864	266,864	
Zoning Board of Adjustment Fees		284,990	284,990	
Planning Board Fees		19,475	19,475	
Rent Leveling Fees		49,135	49,135	
Fines and Costs:				
Municipal Court	380,652	5,030,618	4,978,046	433,224
Interest and Costs on Taxes		283,766	283,766	
Parking Tax		1,728,059	1,728,059	
Riverview Cablevision Associates		535,519	535,519	
Interest on Investments and Deposits		129,256	129,256	
Rents on City Owned Property		33,115	33,115	
SJP Properties - Block A-Phase I		1,227,720	1,227,720	
SJP Properties - Block A-Phase II		1,227,705	1,227,705	
Applied Development Co. - South Waterfront - Block C		1,714,170	1,714,170	
1300 Grand Street (Pilot Payment)		677,588	677,588	
Grogan Marineview Plaza		692,013	692,013	
Clocktowers		104,165	104,165	
Marion Towers Associates		178,575	178,575	
Church Towers Urban Renewal		437,803	437,803	
Columbian Towers		124,930	124,930	
Columbian Arms		28,097	28,097	
Willow Avenue Associates - 800 - 812 Willow Avenue		70,217	70,217	
1200 Grand Street		892,110	892,110	
Applied Housing - 1203-1219 Willow Avenue		213,473	213,473	
Applied Housing - 1201-1221 Washington Estates		340,804	340,804	
Applied Housing - 1200-1220 Hudson Estates		366,673	366,673	
Applied Housing - 1301-1309 Bloomfield Estates		135,793	135,793	
Applied Housing - Midway 500-508 Adams Street		163,521	163,521	
Applied Housing - Elysian Estates		102,524	102,524	
Applied Housing - Church Square		168,058	168,058	
Applied Housing - Eastview Associates		152,685	152,685	
Applied Housing - Westview Associates		209,900	209,900	
Applied Housing - Northvale I - 911-923 Clinton Street		320,108	320,108	
Applied Housing - Northvale II - 901-919 Clinton Street		243,034	243,034	
Applied Housing - Northvale IIIA		123,145	123,145	
Applied Housing - Northvale III B - 1106-1014 Clinton Street		202,999	202,999	
Applied Housing - Northvale IV - 58 11th Street		22,074	22,074	
1118 Adams Street		20,556	20,556	
1100 Adams Street		519,118	519,118	
NJ Transit Block 139 Lot 1.1		7,639	7,639	
PILOTS Interest		26,491	26,491	
201-219 River Street		775,508	775,508	
Parking Utilities Surplus	-70-	4,100,000	4,100,000	

## CITY OF HOBOKEN, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2014

<u>Source</u>	Balance December 31, <u>2013</u>	<u>Accrued</u>	<u>Collected</u>	Balance December 31, <u>2014</u>
Consolidated Municipal Property Tax Relief Aid		4,037,395	4,037,395	
Energy Receipts Tax		7,075,640	7,075,640	
Uniform Construction Code Fees		1,523,494	1,523,494	
Hoboken Housing Authority - Public Safety		516,690	516,690	
Uniform Fire Safety Act		95,619	95,619	
Outside Duty Police Administration		131,260	131,260	
Verizon TV Franchise Fee		332,496	332,496	
1001 Jefferson		930,671	930,671	
W Hotel		548,642	548,642	
Hotel/Motel Occupancy Fee		554,441	554,441	
800 Jackson Ave. (PILOT)		717,048	717,048	
United Water Concession		120,000	120,000	
FEMA Reimbursement		1,470,000	1,470,000	
Capital Fund Balance		344,740	344,740	
	<u>\$ 380,652</u>	<u>42,692,217</u>	<u>42,639,645</u>	<u>433,224</u>
			\$ 42,639,645	
			\$ <u>42,639,645</u>	

## CITY OF HOBOKEN, N.J.

## Schedule of Interfunds Due from/(to) Various Funds

## Current Fund

Year Ended December 31, 2014

<u>Fund</u>	Balance December 31, 2013	<u>Increases</u>	<u>Decreases</u>	Balance December 31, 2014
Federal and State Grant Fund	1,154,975	20,655	970,655	204,975
Trust Funds:				
Animal License Trust	904	9,786	904	9,786
Other Trust	4,488	400	4,488	400
Law Enforcement Trust	(489)	489		
Developers Escrow Trust	636	775	636	775
Section 8 Housing	(5)			(5)
Flexible Spending Fund	827			827
	<u>1,161,336</u>	<u>32,105</u>	<u>976,683</u>	<u>216,758</u>
Due to Current Fund	1,161,830	31,616	976,683	216,763
Due from Current Fund	<u>(494)</u>	<u>489</u>		<u>(5)</u>
	<u>\$ 1,161,336</u>	<u>32,105</u>	<u>976,683</u>	<u>216,758</u>

Analysis of Changes

Receipts	\$	956,028
Disbursements	21,144	
Grant Matching Funds		20,655
Reimbursement for expenses paid	775	
Fees and Permits	400	
Statutory Excess	<u>9,786</u>	
	<u>\$ 32,105</u>	<u>976,683</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Deferred Charges

## Current Fund

Year Ended December 31, 2014

Description	Balance December 31, <u>2013</u>	Raised in 2014 <u>Budget</u>
Current Fund:		
Overexpenditure of Appropriation Reserves	\$ <u>1,619,391</u>	<u>1,619,391</u>
	\$ <u><u>1,619,391</u></u>	<u><u>1,619,391</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, December 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
General Government:				
Mayor and Council				
Other Expenses	13,451	20,726	7,205	13,521
City Council				
Salaries and Wages	12,698	12,698		12,698
Other Expenses	1,807	5,962	5,370	592
Office of the Clerk				
Salaries and Wages	14,683	14,683		14,683
Other Expenses	3,836	5,865	2,013	3,852
Other Expenses - Legal Advertising	5,729	14,270	7,464	6,806
Other Expenses - Codification of Ordinances	30,000	30,000		30,000
Salaries and Wages - Elections	8,465	8,465		8,465
Other Expenses - Elections	11,203	11,668	465	11,203
Department of Administration				
Business Administrator's Office				
Salaries and Wages	11,786	11,786		11,786
Other Expenses	19,413	71,188	66,275	4,913
Purchasing				
Salaries and Wages	1,812	1,812		1,812
Other Expenses	75	1,358	1,283	75
Personnel and Health Benefits				
Salaries and Wages	48,728	48,728		48,728
Other Expenses	786	3,133	3,114	19
Zoning and Administration				
Salaries and Wages	18,251	18,251		18,251
Other Expenses	2,062	2,558	496	2,062
Uniform Construction Code				
Salaries and Wages	78,898	78,898		78,898
Other Expenses	12,770	16,019	4,152	11,867
Corporation Council				
Salaries and Wages	4,137	4,138	725	3,413
Other Expenses	40,803	69,190	14,371	54,819
Other Expenses - Special Council	530,132	713,506	520,159	193,347
Other Expenses - Labor Counsel		40,175	1,911	38,264
Other Expenses - Expert Witness & Appraisal	27,500	29,963	3,864	26,099
Revenue and Finance Director				
Salaries	23,359	23,359		23,359
Other Expenses	13,190	41,184	32,190	8,994

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, December 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Tax Collections				
Salaries and Wages	1,173	1,173		1,173
Other Expenses	33,849	36,320	8,681	27,639
Information Technology				
Other Expenses	7,895	20,615	12,720	7,895
Municipal Court				
Salaries and Wages	66,597	66,597		66,597
Other Expenses	54,690	77,936	27,084	50,852
Public Defender				
Other Expenses	3,287	3,287		3,287
Office of the Tax Assessor				
Salaries and Wages	380	380		380
Other Expenses	67,556	90,873	20,215	70,658
Department of Human Services				
Director's Office				
Salaries and Wages	2,080	2,080		2,080
Other Expenses	386	1,485	1,099	386
Rent Leveling				
Salaries and Wages	188	188		188
Other Expenses	1,214	1,341	466	875
Housing Inspections				
Salaries and Wages	460	460		460
Other Expenses	18	1,033	1,012	21
Health				
Salaries and Wages	10,308	10,308	223	10,085
Other Expenses	28,859	61,151	31,753	29,398
Senior Citizens				
Salaries and Wages	4,653	4,653		4,653
Other Expenses	4,645	5,283	2,498	2,785
Recreation and Cultural Affairs				
Salaries and Wages	5,118	5,118	770	4,348
Other Expenses	12,569	13,207	12,270	937
Cultural Affairs				
Salaries and Wages	1,035	1,035		1,035
Department of Environmental Services				
Director's Office				
Salaries and Wages	6,360	6,360		6,360
Other Expenses	20,173	20,173		20,173
Parks				
Salaries and Wages	6,471	6,471		6,471
Other Expenses	15,499	24,584	24,559	25

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, December 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Public Property				
Salaries and Wages	23,887	23,887		23,887
Other Expenses	2,892	57,725	52,253	5,472
Streets and Roads				
Salaries and Wages	22,568	22,568		22,568
Other Expenses	160,889	211,910	146,586	65,324
Central Garage				
Salaries and Wages	4,169	4,169		4,169
Other Expenses	16,442	49,481	40,437	9,044
Sanitation				
Salaries and Wages	13,441	13,441	5,373	8,068
Other Expenses	266,567	663,401	601,773	61,628
Shade Tree Commission				
Other Expenses	192	48,557	47,132	1,425
Department of Community Development				
Director's Office				
Salaries and Wages	2	2		2
Other Expenses	1,066	1,911	846	1,065
Grants Management				
Other Expenses	1,000	1,000		1,000
Planning Board				
Salaries and Wages	7,212	7,212		7,212
Other Expenses	16,435	42,293	38,484	3,809
Zoning Board of Adjustment				
Other Expenses	69,457	77,406	17,697	59,709
Redevelopment				
Other Expenses	135,565	267,653	217,441	50,212
Historical Preservation Committee				
Other Expenses	11,068	11,068		11,068
Department of Public Safety				
Police				
Salaries and Wages	87,385	12,385		12,385
Other Expenses	179,535	174,690	110,177	64,513
Fire				
Salaries and Wages	298,820	23,820		23,820
Other Expenses	28,155	113,827	102,248	11,579
Office of Emergency Management				
Salaries and Wages	3,805	3,805		3,805
Other Expenses	3,649	8,649	1,502	7,147

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, December 31, <u>2013</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Insurance				
General Liability	263,802	158,065	128,316	29,749
Worker's Compensation	152,853	152,853	28,614	124,239
Employee Group Health		915,955	2,301	913,654
UNCLASSIFIED:				
Alcoholic Beverage Control Board				
Salaries and Wages	123	123		123
Other Expenses	452	476	319	157
North Hudson Regional Council of Mayors				
Other Expenses	7	7		7
Settlement of Claims Against the City	10,000	10,000		10,000
Towing/Storage of Abandoned Vehicles	2,917	3,132	1,165	1,967
Engineering	34,887	112,621	89,169	23,452
Labor Arbitrations	40,174			
Municipal Dues and Memberships	593	593		593
Celebration of Public Events	10,000	10,000		10,000
Postage	14,367	16,761	2,394	14,367
Copiers/ Printers	6,237	17,916	4,669	13,247
PILOT Payments to Hudson County	92,320	92,320	89,567	2,753
Stationary and Office Supplies	22,964	40,385	17,176	23,209
Utilities:				
Electricity	76,576	91,872	70,965	20,907
Street Lighting	74,069	136,800	125,204	11,596
Gasoline	66,330	88,473	22,143	66,330
Water and Sewer	8,801	8,875	2,677	6,198
Communications	29,539	42,863	37,465	5,398
Salary Adjustments	3,171	16,293	12,909	3,384
Master Plan	70,000	70,000	69,948	52
Anticipated Terminal Leave Appropriation	3,659	3,659		3,659
Total Operations within "CAPS"	<u>3,629,079</u>	<u>5,592,596</u>	<u>2,901,357</u>	<u>2,691,239</u>
STATUTORY EXPENDITURES:				
Contribution to:				
Social Security System (O.A.S.I.)	51,145	51,145	4,034	47,111
Consolidated Police and Firemen's Pension Fund	18,603	18,786	183	18,603
Public Employees Retirement System	112,755	113,041	40,917	72,124
Police and Fire Retirement		730,000	728,187	1,813
Unemployment Compensation Insurance	137,440	43,440	55	43,385

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, December 31, 2013	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	<u>319,943</u>	<u>956,412</u>	<u>773,376</u>	<u>183,036</u>
Operations - Excluded from "CAPS"				
Maintenance of Free Public Library(P.L. 1985 Ch. 22)				
Employee Group Health	<u>905,192</u>			
Total Other Operations - Excluded from "CAPS"	<u>905,192</u>			
Public and Private Programs Offset by Revenues:				
Matching Funds for Grants	32,354	22,644		22,644
FEMA Fire Apparatus		9,710	9,710	
Hudson County HHS Municipal Alliance - Match	<u>32,354</u>	<u>32,354</u>	<u>9,710</u>	<u>22,644</u>
Total Public and Private Programs Offset by Revenues	<u>937,546</u>	<u>32,354</u>	<u>9,710</u>	<u>22,644</u>
Capital Improvements-Excluded from "CAPS"				
Computer Technology Updates	3,902	3,902		3,902
Washington Street Redesign	850	190,000	190,000	
Sinatra Drive Redesign	110,000	110,000	110,000	
Fire Safety Equipment	<u>16,420</u>	<u>39,675</u>	<u>23,255</u>	<u>16,420</u>
Total Capital Improvements-Excluded from "CAPS"	<u>131,172</u>	<u>343,577</u>	<u>323,255</u>	<u>20,322</u>
Total Expenditures	<u>\$ 5,017,740</u>	<u>6,924,939</u>	<u>4,007,698</u>	<u>2,917,241</u>

Appropriation Reserves \$	5,017,740
Encumbrances	<u>1,907,199</u>
	<u>\$ 6,924,939</u>

Transfer to Reserves \$	328,431
Cash	<u>3,679,267</u>
	<u>\$ 4,007,698</u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of County Taxes Payable**  
**Current Fund**  
**Year Ended December 31, 2014**

Balance December 31, 2013	\$ 293,344
Increased by:	
Levied	<u>61,381,202</u>
	61,674,546
Decreased by:	
Cash Disbursements	<u>61,205,909</u>
Balance December 31, 2014	\$ <u><u>468,637</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Tax Overpayments**

**Current Fund**

**Year Ended December 31, 2014**

Balance December 31, 2013	\$	251,224	
Increased by:			
Collections		<u>618,840</u>	
			870,064
Decreased by:			
Overpayments Applied	\$	6	
Transfer to Reserves		151,806	
Refunds		<u>197,447</u>	
			<u>349,259</u>
Balance December 31, 2014	\$	<u><u>520,805</u></u>	

**CITY OF HOBOKEN, N.J.**

**Schedule of Local District School Taxes Payable**

**Current Fund**

**Year Ended December 31, 2014**

Balance December 31, 2013	\$ 17,886
Increased by:	
Levy	<u>38,733,329</u>
	38,751,215
Decreased by:	
Payments	\$ <u><u>38,751,215</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Accounts Payable

## Current Fund

Year Ended December 31, 2014

Balance December 31, 2013	\$	140,047
Increased By:		
Transferred from Appropriation Reserves		<u>328,431</u>
		468,478
Decreased By:		
Cash Disbursements	\$	68,036
Prior Year Encumbrances cancelled		<u>52,651</u>
		<u>120,687</u>
Balance December 31, 2014	\$	<u><u>347,791</u></u>

**CITY OF HOBOKEN, N.J.**

**Schedule of Prepaid Taxes**

**Current Fund**

**Year Ended December 31, 2014**

Balance December 31, 2013	\$ 858,214
Increased By:	
Cash Receipts	<u>1,391,471</u>
	2,249,685
Decreased By:	
Applied	<u>858,214</u>
Balance December 31, 2014	\$ <u><u>1,391,471</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Various Reserves

## Current Fund

Year Ended December 31, 2014

<u>Program</u>	Balance, December 31, <u>2013</u>	Increased <u>by</u>	Decreased <u>by</u>	Balance, December 31, <u>2014</u>
Tax Appeals	\$ 1,058,108	1,151,806	1,592,845	617,069
Reserve for Retroactive Pay	913,083	787,733	1,013,090	687,726
PILOT - County Share	607,614		202,522	405,092
FEMA Fire Apparatus	23,290			23,290
Hurricane Sandy Expenditures	1,771,364		938,687	832,677
Snow Removal	100,000		100,000	
Deferred Revenue - Sandy Reimbursements	911,155	394,919		1,306,074
Revaluation	708,565		464,134	244,431
	<u>\$ 6,093,179</u>	<u>2,334,458</u>	<u>4,311,278</u>	<u>4,116,359</u>
Disbursements		\$	4,311,278	
Receipts		219,113		
Transfer from Tax Overpayments		151,806		
Appropriation Reserves		1,864,350		
Appropriations		99,189		
		<u>\$ 2,334,458</u>	<u>4,311,278</u>	

## CITY OF HOBOKEN, N.J.

## Schedule of Deferred Charges N.J.S.A. 40A:4-53, Special Emergency Authorizations

## Current Fund

Year Ended December 31, 2014

<u>Purpose</u>	<u>Date</u>	<u>Amount Authorized</u>	<u>Not Less Than 1/5 of Amount Authorized</u>	<u>Balance, Dec. 31, 2013</u>	<u>Decreased</u>	<u>Cancelled</u>	<u>Balance, Dec. 31, 2014</u>
Revaluation of Real Property	9/19/2012		\$	1,040,000	185,000	300,000	\$ 555,000
Hurricane Sandy	11/13/2012			5,400,000	1,350,000		4,050,000
Hurricane Sandy	2/20/2013			480,000	120,000		360,000
				<u>\$ 6,920,000</u>	<u>1,655,000</u>	<u>300,000</u>	<u>\$ 4,965,000</u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Special Emergency Notes Payable**

		<b>Current Fund</b>				<b>Year Ended December 31, 2014</b>		
<u>Improvement description</u>	<u>Date of original issue</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2013</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
Revaluation of Real Property	December 28, 2012	6/27/13	1/28/14	1.75% \$	1,040,000	555,000	1,040,000	555,000
Hurricane Sandy	December 28, 2012	6/27/13	1/28/14	1.75%	5,400,000	4,050,000	5,400,000	4,050,000
					<u>\$ 6,440,000</u>	<u>4,605,000</u>	<u>6,440,000</u>	<u>4,605,000</u>
					Cash \$	1,835,000		
					Renewed	<u>4,605,000</u>	<u>4,605,000</u>	
					\$	<u>4,605,000</u>	<u>6,440,000</u>	

## CITY OF HOBOKEN, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2014

	Balance, December 31, <u>2013</u>	2014 Budget Revenue <u>Realized</u>	<u>Collections</u>	<u>Cancelled</u>	Balance, December 31, <u>2014</u>
1600 Park Ave Development	\$ 300,000				300,000
State Local Cooperative Housing Inspection Program	25,003				25,003
Multi Service Center Roof Replacement	200,000				200,000
Click it or Ticket	4,000				4,000
2008 Roadway Improvement Project	67,289				67,289
Walk Safe Hoboken Pedestrians	2,800				2,800
Clean Energy Program	41,692				41,692
Over Limit/Under Arrest	600				600
2009 Pedestrian Safety/Walk Safe	800				800
Senior Emergency Funds	2,318				2,318
Home Support and Adult Daycare	62,221				62,221
NJEDA Hazardous Site Remediation	29,387				29,387
NJ Dept of Health H1N1	56,754			55,752	1,002
Hudson County Open Space 1600 Park Ave	1,370				1,370
Hudson County Cultural and Heritage	1,184				1,184
Body Armor Replacement Fund	1,743				1,743
Clean Communities	12,084				12,084
Homeland Security Safer Grant	42,491				42,491
Hoboken 911 Memorial on Pier	250,000				250,000
Business Stimulus Fund Grant	6,500				6,500
Summer Food Program	168				168
State Local Cooperative Housing Inspection Program	54,716				54,716
Cultural Affairs Studio Tour/Concert	800				800
Green Acres - DEP Waterfront Reconstruction	900,000				900,000
Hudson Co. HHS Senior Citizens - 2011 #688	360				360
Hudson Co. HHS Senior Citizens - 2011 #88	29,144				29,144
FEMA - Fire Equipment Grant - Match	4,530				4,530
Municipal Court DWI Grant	1				1
NJ DOT - 2011 Aid for Various Streets	113,512		113,512		
NJ DOT - 2009 Roadway Improvements	265,220				265,220
NJ DOT 2008/2009 Safe Streets to Transit	80,000				80,000
US Soccer Foundation - 2011 Planning Grant	8,000				8,000
US Dept of Justice - National Police Athletic League - 2011-2012 Mentoring Program	28,381				28,381
Cultural Affairs Partnership Arts	1,470				1,470
Home Support and Adult Daycare	2				2
FEMA - Fire Boat	4				4

## CITY OF HOBOKEN, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2014

	Balance, December 31, 2013	2014 Budget Revenue Realized	Collections	Cancelled	Balance, December 31, 2014
Hoboken PAL	11,971				11,971
Hudson County Open Space	32,596		1,370		31,226
Sustainable Jersey Grant	10,000				10,000
Port Authority Security Grant	297,000		219,275		77,725
Justice Assistance Grant	14,579				14,579
Hoboken PAL	10,974				10,974
FEMA Safer Grant	1,118,600		438,416		680,184
Homeland Security Port Security	24,824				24,824
Firefighters Assistance Grant	14,708		14,708		
Drive Sober or Get Pulled Over	350				350
Pedestrian Safety Highway Grant	9,200				9,200
Hudson County Open Space	63,000		60,000		3,000
Firefighter Assistance Grant	16,394				16,394
DOT - Various Roads	99,000		99,000		
Municipal Alliance - 2013	38,840		38,840		
2013 Housing Inspection Program	14,815				14,815
Cultural Affairs Marketing Program	3,938		3,938		
US Soccer Foundation - Synthetic Field 1600 Park	200,000		140,000		60,000
County of Hudson - Home Support & Adult Daycare	33,971		21,392		12,579
Cert. Community Emergency Response Team	1,000				1,000
2013 Cultural & Heritage Affairs Grant	1,554		1,554		
Hoboken PAL 2013 Grant	7,204				7,204
NJ DOT - 2013 Road Improvement Program	356,280		267,210		89,070
NJ DOT - 2013 Transportation Enhancement, Redesign of Newark Street	118,000				118,000
NJ Historic Trust Grant	37,500				37,500
2013 Summer Food Program	14,284				14,284
2013 Byrne Justice Assistance Grant	15,614				15,614
2013 Port Security Grant CBRNE Detection Unit - K-9	105,000				105,000
Dept. of Environmental Protection: CSIP Tree Pruning Grant	20,000				20,000
NJ Energy Allocation Initiative - 2013	142,080				142,080
Recreation Opportunities for Individuals with Special Needs	12,000		9,885		2,115
Hudson County Open Space - 2013 Allotment - Cove Boathouse	100,000		10,235		89,765

## CITY OF HOBOKEN, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2014

	Balance, December 31, 2013	2014 Budget Revenue Realized	Collections	Cancelled	Balance, December 31, 2014
NJ Energy Allocation Initiative - 2013		107,920			107,920
Byrne Justice Assistance Grant		16,924			16,924
Post-Sandy Commercial Revital. Project		879,401			879,401
Port Authority Surveillance		123,954	123,954		
Clean Communities		76,222	76,222		
Arbor Day Grant		20,000			20,000
NJ Council on Arts		5,635	4,226		1,409
Seniors/Home Support Adults		127,800	98,113		29,687
Post-Sandy Planning Assistance		200,000			200,000
Municipal Alliance		19,420	19,420		
Municipal Alliance City Match		4,855	4,855		
Municipal Alliance		43,200			43,200
Municipal Alliance City Match		10,800	10,800		
Housing Inspection Grant		97,000	58,258		38,742
NJ DOT Various Streets		400,620			400,620
Summer Food Program		51,704	42,558		9,146
National Fish & Wildlife Foundation		250,000			250,000
Post-Sandy Planning Assistance Grant		100,000			100,000
ROID		10,000			10,000
ROID - Match		5,000	5,000		
Body Armor Grant		15,390	15,390		
Drive Sober or Get Pulled Over		7,500			7,500
Police Hazard Mitigation		132,854			132,854
Hoboken Cove Park & Boathouse Improvements		500,000			500,000
2013 Body Armor Replacement Fund		15,341	15,341		
Alcohol Education and Rehabilitation		2,954	2,954		
Dept. of Environmental Protection - Rain Garden Grant		10,000			10,000
Community Development Block Grant - 2014		410,000			410,000
	<u>\$ 5,539,820</u>	<u>3,644,494</u>	<u>1,916,426</u>	<u>55,752</u>	<u>7,212,136</u>
		1,162,802			
		Received	1,901,085		
Transfer from Unappropriated Reserves			<u>15,341</u>		
			<u>\$ 1,916,426</u>		

## CITY OF HOBOKEN, N.J.

## Schedule of Unappropriated Reserves

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Program</u>	Balance, December 31, <u>2013</u>	<u>Received</u>	Anticipated Revenue in <u>2014</u>	Balance, December 31, <u>2014</u>
Body Armor Replacement Fund - 2013	\$ 15,341		15,341	
Recycling Tonnage Grant		75,462		75,462
Housing Inspection		31,611		31,611
	<u>\$ 15,341</u>	<u>107,073</u>	<u>15,341</u>	<u>107,073</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Interfunds Due from/(to) Various Funds

## Federal and State Grant Fund

Year Ended December 31, 2014

	Balance, December 31, <u>2013</u>	<u>Increase</u>	<u>Decrease</u>	Balance, December 31, <u>2014</u>
Current Fund	(1,154,975)	970,655	20,655	(204,975)
Community Development Trust Fund	(105,000)			(105,000)
Law Enforcement Trust Fund		53,070		53,070
Municipal Open Space		250,000		250,000
General Capital Fund		221,146	46,000	175,146
	<u>\$ (1,259,975)</u>	<u>1,494,871</u>	<u>66,655</u>	<u>168,241</u>
Due to Federal and State Grant Fund		524,216	46,000	478,216
Due from Federal and State Grant Fund	<u>(1,259,975)</u>	<u>970,655</u>	<u>20,655</u>	<u>(309,975)</u>
	<u>\$ (1,259,975)</u>	<u>1,494,871</u>	<u>66,655</u>	<u>168,241</u>
Cash Receipts \$			46,000	
Cash Disbursements		950,000		
Matching Funds		544,871	20,655	
		<u>\$ 1,494,871</u>	<u>66,655</u>	

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, December 31, <u>2013</u>	2014 Grants <u>Budgeted</u>	<u>Expenditures</u>	<u>Canceled</u>	Balance, December 31, <u>2014</u>
Hudson County Open Space	1				1
1600 Park Ave Development	300,000				300,000
2008 Pedestrian Safety Walk Safe	941				941
Summer Food Program	4,822				4,822
Home Support and Adult Day Care	25,400				25,400
City Recreation Program	10,000				10,000
Click it or Ticket	4,000				4,000
Body Armor Replacement Fund	997				997
Walk Safe Hoboken Pedestrians	3,600				3,600
Clean Communities	11,475				11,475
Clean Communities	1,013				1,013
2008 Roadway Improvement Project	63,205				63,205
Save the Youth	86				86
2009 Roadway Improvement Project	12,536				12,536
Over Limit/Under Arrest	200				200
2009 Pedestrian Safety/Walk Safe	90,905				90,905
NJDOT 2010 Aid Program Various Streets	3,680				3,680
NJDOT-Safe Streets to Transit	80,000				80,000
Drunk Driving Enforcement Grant	4,225		4,165		60
NJEDA Hazardous Site Remediation	374				374
Clean Communities	1,136				1,136
Clean Communities	12,084				12,084
NJ Dept of Health H1N1	55,752			(55,752)	
Hepatitis B	4,705				4,705
NJ Health Officers Assn	300				300
NJ Body Armor	4,564				4,564
Pal of NJ, Juvenile Justice Program: FY'09/10 Afterschool	23,360				23,360
Alcohol Education and Rehab 2009	55		55		
Alcohol Education and Rehab 2008	53				53
Hoboken 911 Memorial on Pier	186,729				186,729
Recycling Tonnage	25,021				25,021
Summer Food Program	351				351
Clean Communities	212				212
Cultural Affairs Studio Tour/Concert	2,650				2,650
FEMA Grant - Fire Apparatus	436				436
Safe the Youth Program (2007)	1,760				1,760
FEMA - Fire Equipment Grant	65,474				65,474
Municipal Court DWI Grant	147		147		
NJ DOT - 2010 Hudson Place Funding	31,553				31,553
NJ DOT - 2009 Roadway Improvements	410,732				410,732
FY 2011 State Tourism Grant	207				207
NJ DOT 2008/2009 Safe Streets to Transit	5,040				5,040

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, December 31, 2013	2014 Grants <u>Budgeted</u>	<u>Expenditures</u>	<u>Canceled</u>	Balance, December 31, 2014
Summer Food Program 2011	2,824				2,824
US Soccer Foundation - 2011 Planning Grant	8,000				8,000
Domestic Violence	1,250				1,250
Public Healthcare Management Caregivers	5,291				5,291
Public Healthcare Management Caregivers	38,424				38,424
Walk Safe Hoboken	8,000				8,000
Computer Program for the Elderly - DYFS	674				674
Clean Communities	97,387				97,387
Fire Department Grant	47,438				47,438
Senior Emergency Funds	3,059				3,059
08-09 Summer Food	25,728				25,728
Over the Limit Under Arrest	300				300
Public Health Priority Funding	17,409				17,409
Body Armor Replacement Fund	14,377				14,377
Adult Day Care	27,055				27,055
Cultural Affairs Studio Tourism	7,680				7,680
Bullet Proof Vest - Federal	3,880				3,880
Save the Youth	17,881				17,881
Community Development Block Grant - 2011	6,600				6,600
US Dept of Justice - National Police Athletic League - 2011-2012 Mentoring Program	1,015				1,015
Recycling Tonnage	23,922				23,922
Edward Byrne Memorial Justice Assistance Grant - (JAG)	39				39
Bike Corrals	519				519
Alcohol Education Rehabilitation	970		970		
FEMA - Fire Boat	4				4
Municipal Alliance - Grant (2012)	21				21
Municipal Alliance - Grant (2012) - Match	2,241				2,241
Firefighters Assistance Grant 2011-2012	58				58
Firefighters Assistance Grant 2011-2013 - Match	14				14
Hudson County Open Space	17,493		600		16,893
Sustainable Jersey Grant	16,000				16,000
Recycling Tonnage Grant	37,033				37,033
Port Authority Security Grant	275,969		198,287		77,682
Justice Assistance Grant	104				104
Hoboken PAL	30,000				30,000
FEMA Safer Grant	1,118,600		345,000		773,600
Homeland Security Port Security	24,824				24,824
Firefighters Assistance Grant	3,381				3,381
Firefighters Assistance Grant - Match	3,678				3,678
Drive Sober or Get Pulled Over	350				350
Pedestrian Safety Highway Grant	7,600				7,600
Summer Food	961				961

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

Grant	Balance, December 31, 2013	2014 Grants Budgeted	Expenditures	Canceled	Balance, December 31, 2014
Firefighter Assistance Grant	4,270				4,270
Cultural Affairs Partnership Arts	895		789		106
Municipal Alliance - 2013	20,131		13,352		6,779
Municipal Alliance - 2013 Match	2,940		1,861		1,079
Cultural Affairs Marketing Program	15,750				15,750
Forestry Grant	6,500				6,500
State Housing Inspection Program	19,570				19,570
FEMA - Firefighters Assistance Grant	16,394				16,394
Summer Food Program	5,943				5,943
Cert. Community Emergency Response Team	615				615
Clean Communities	8,000		7,976		24
Junior Tennis Foundation - 2013	204				204
Hoboken PAL 2013 Grant	14,500				14,500
NJ DOT - 2013 Transportation Enhancement, Redesign of Newark Street	118,000				118,000
NJ Historic Trust Grant	37,500		36,250		1,250
Historic Trust Grant - Match	12,500		12,500		
Alcohol Education and Rehabilitation	79		79		
Dept. of Homeland Security - FY12 Firefighters Assistance	25,315		18,903		6,412
Firefighters Assistance - Match	5,485		3,882		1,603
2013 Summer Food Program	12,530				12,530
2013 Byrne Justice Assistance Grant	15,614				15,614
2013 Port Security Grant CBRNE Detection Unit - K-9	105,000		105,000		
Sustainable Jersey Grant	2,000		2,000		
Dept. of Environmental Protection: CSIP Tree Pruning Gr.	20,000				20,000
NJ Energy Allocation Initiative - 2013	142,080	107,920			250,000
Recycling Tonnage Grant 2011	82,998				82,998
Recreation Opportunities for Individuals with Special Needs	12,000		8,953		3,047
ROID Grant - Match	2,400				2,400
Hudson County Open Space - 2013 Allotment - Cove Boathouse	100,000		97,000		3,000
Byrne Justice Assistance Grant		16,924			16,924
Post-Sandy Commercial Revital. Project		925,401	125,000		800,401
Port Authority Surveillance		177,024	123,954		53,070
Clean Communities		76,222			76,222
Arbor Day Grant		20,000			20,000
NJ Council on Arts		5,635	5,635		
Seniors/Home Support Adults		127,800	127,800		
Post-Sandy Planning Assistance		200,000			200,000
Municipal Alliance		19,420			19,420
Municipal Alliance City Match		4,855	2,200		2,655
Municipal Alliance		43,200			43,200
Municipal Alliance City Match		10,800	4,195		6,605

## CITY OF HOBOKEN, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	Balance, December 31, <u>2013</u>	2014 Grants <u>Budgeted</u>	<u>Expenditures</u>	<u>Canceled</u>	Balance, December 31, <u>2014</u>
Housing Inspection Grant		97,000	97,000		
NJ DOT Various Streets		400,620			400,620
Summer Food Program		51,704	49,902		1,802
National Fish & Wildlife Foundation		250,000	250,000		
Post-Sandy Planning Assistance Grant		100,000	50,000		50,000
ROID		15,000	10,000		5,000
Body Armor Grant		15,390			15,390
Drive Sober or Get Pulled Over		7,500			7,500
Police Hazard Mitigation		308,000			308,000
Hoboken Cove Park & Boathouse Improvements		750,000			750,000
Community Development Block Grant		410,000			410,000
Body Armor Grant		15,341			15,341
Dept. of Environmental Protection Rain Garden Grant		10,000			10,000
Alcohol Education and Rehabilitation Grant		2,954	1,248		1,706
	<u>\$ 4,157,047</u>	<u>4,168,710</u>	<u>1,704,703</u>	<u>(55,752)</u>	<u>6,565,302</u>

Budget Appropriations \$ 749,227  
 Match 524,216  
 Appropriations by 40a:4-87 2,895,267  
  
\$ 4,168,710

Cash Disbursements \$ 996,255  
 Encumbrances 708,448  
  
\$ 1,704,703

**CITY OF HOBOKEN, N.J.**  
**Schedule of Reserve for Encumbrances**  
**Federal and State Grant Fund**  
**Year Ended December 31, 2014**

Balance December 31, 2013	\$ 633,755
Increased By:	
Transferred from Budget Appropriations	<u>708,448</u>
	1,342,203
Decreased By:	
Cash Disbursements	<u>633,755</u>
Balance December 31, 2014	\$ <u><u>708,448</u></u>

## CITY OF HOBOKEN

## Schedule of Cash - Treasurer

## Trust Funds

Year Ended December 31, 2014

	Animal License Fund	Other Trust Funds	Section 8 - Housing Assistance Program
Balance - December 31, 2013	\$ <u>25,503</u>	<u>10,220,564</u>	<u>735,478</u>
Increased by:			
Animal License Fees	9,394		
Due to State of New Jersey -			
Dog License Fees	1,498		
Marriage Licenses		13,350	
Burial Permits		20	
Construction Code DCA Fees		108,897	
Various Reserves		10,965,654	
Interfund - Current Fund		489	
Community Development Block Grant Receipts			576,796
Reserve for Section 8 - Housing Assis. Program			
	<u>10,892</u>	<u>11,088,410</u>	<u>576,796</u>
	<u>36,395</u>	<u>21,308,974</u>	<u>1,312,274</u>
Decreased by:			
Reserve for Animal License Expenditures			
Due to State of New Jersey	1,854	116,662	
Various Reserves		8,297,377	
Interfunds	904	3,713	
Community Development Block Grant Disbursements			235,806
Section 8 - Housing Assistance Program			90,383
	<u>2,758</u>	<u>8,417,752</u>	<u>326,189</u>
Balance - December 31, 2014	\$ <u><u>33,637</u></u>	<u><u>12,891,222</u></u>	<u><u>986,085</u></u>

**CITY OF HOBOKEN**

**Schedule of Reserve for Expenditures -  
Animal License Fund**

**Trust Funds**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	24,178
Increased by:		
Dog license fees		<u>9,394</u>
		33,572
Decreased by:		
Statutory Excess	\$	9,786
		<u>9,786</u>
Balance - December 31, 2014	\$	<u><u>23,786</u></u>

License Fees Collected

2014	11,277
2013	<u>12,509</u>
	\$ <u><u>23,786</u></u>

CITY OF HOBOKEN

Schedule of Due to State of New Jersey-  
Animal License Fees

Trust Funds

Year Ended December 31, 2014

Balance - December 31, 2013	\$	421
Increased by:		
2014 Fees Collected		<u>1,498</u>
		1,919
Decreased by:		
Interfunds	\$	
Cash Disbursements		<u>1,854</u>
		<u>1,854</u>
Balance - December 31, 2014	\$	<u><u>65</u></u>

## CITY OF HOBOKEN

Schedule of Due to State of New Jersey  
Trust Funds

Year Ended December 31, 2014

	Due to/(from) Balance December 31, <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Due to/(from) Balance December 31, <u>2014</u>
Marriage Licenses	\$ 3,225	13,350	13,650	2,925
Burial Permits	10	20	20	10
Construction Code DCA Fees	<u>67,019</u>	<u>108,897</u>	<u>102,992</u>	<u>72,924</u>
	<u>\$ 70,254</u>	<u>122,267</u>	<u>116,662</u>	<u>75,859</u>
Cash Receipts	\$ 122,267			
Cash Disbursements			116,662	
Interfunds				
	\$ <u>122,267</u>		<u>116,662</u>	

## CITY OF HOBOKEN

Schedule of Amount Due from/(to) Various Funds  
Trust Funds

Year Ended December 31, 2014

<u>Fund</u>	Balance December 31, <u>2013</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2014</u>
Current Fund:				
Animal License Fund	(904)	904	9,786	(9,786)
Other Trust	(4,488)	4,488	785	(785)
Law Enforcement Trust	489		489	
Developers Escrow Trust	(636)	636	775	(775)
Section 8 Housing	5			5
Open Space Trust			250,000	(250,000)
Escrow			53,070	(53,070)
	<u>(5,534)</u>	<u>6,028</u>	<u>314,905</u>	<u>(314,411)</u>
Due to Trust Funds	494		489	5
Due from Trust Funds	<u>(6,028)</u>	<u>6,028</u>	<u>314,416</u>	<u>(314,416)</u>
	<u>\$ (5,534)</u>	<u>6,028</u>	<u>314,905</u>	<u>(314,411)</u>

Analysis of Changes

Receipts	\$	489
Disbursements	3,713	
Statutory Excess	904	9,786
Reimbursement for expenses paid	775	
Deposit in Error		775
Other Trust		785
Excrow Trust	636	53,070
Open Space Trust		250,000
	<u>\$ 6,028</u>	<u>314,905</u>

## CITY OF HOBOKEN

## Schedule of Miscellaneous Reserves

## Trust Funds

Year Ended December 31, 2014

	Balance, December 31 <u>2013</u>	<u>Increased</u>	<u>Decreased</u>	Balance, December 31, <u>2014</u>
Reserve for:				
150th Anniversary	\$ 9,710	1,475		11,185
Community Resource Account	24,885			24,885
Cultural Affairs Account	330,738	234,589	328,671	236,656
Police Outside Employment	39,378	2,119,467	2,081,969	76,876
Hoboken PAL	2,824		450	2,374
Police Department Investigation	601			601
Sept. 11th Memorial Fund	22,527			22,527
Shade Tree Commission	129,064	8,820	13,100	124,784
Unclaimed Bail	38,364			38,364
Municipal Court Public Defender	6,387	130		6,517
Ragamuffin Parade	125			125
Fire Education Fund	130,771	136,814	96,503	171,082
Fire Regular Penalties	84,257	23,000		107,257
Police-LETF	336,308	84,083	97,399	322,992
POAA Trust	630,137	100,155	178,836	551,456
POAA Furniture Municipal Court	4,260	30,000	18,095	16,165
Municipal Court-OT-POAA	34,604	75,000	83,188	26,416
Tax Collector Premiums	9,863	1,982,335	1,030,300	961,898
Old Tax Collector Premiums		19,825		19,825
POAA Municipal Court Carpeting		73,836	73,836	
St Patricks Day Parade	2,650		2,520	130
Bike Rack Donations	2,055	2,465		4,520
Open Space	2,587,915	2,231,159	346,771	4,472,303
Municipal Open Space - Rental Fees		36,350		36,350
Escrow	741,386	1,032,746	590,533	1,183,599
Tax Sale Premiums	489,721			489,721
Law Enforcement	177,377	462	107,198	70,641
O & M Fund	1,399,724	226,746	1,147,483	478,987
O & M Fund-Hoboken South Waterfront	1,711,213		106,435	1,604,778
O & M Fund-W Hotel	629,465			629,465
North Haledon RCA Escrow	24,544	75		24,619
Hazmat	125,748		949	124,799
Redevelopment	19,557			19,557
Board Inspection	22,345	3,900		26,245
Collector of Revenue Redemption Trust	362,157	2,068,111	2,360,225	70,043
Recreation Fees	9,842	140,137	134,098	15,881
City Parks	1,512			1,512
Hurricane Sandy Donations	1,803			1,803
Recreation Umpires	250			250
Green Team	1,608	1,360	1,346	1,622
Snow Removal		150,000		150,000
Unemployment Compensation		49,458		49,458
Affordable Housing		333,250		333,250
	<u>\$ 10,145,675</u>	<u>11,165,748</u>	<u>8,799,905</u>	<u>12,511,518</u>
Cash	\$ 10,965,654		8,297,377	
Reclass	199,458		199,458	
Interfunds	636		303,070	
		<u>\$ 11,165,748</u>	<u>8,799,905</u>	

**Exhibit B-7**

**CITY OF HOBOKEN**

**Section 8 - Housing Assistance Program**

**Schedule of Reserves for Section 8 - Housing Assistance Program**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>569,602</u>
Increased by:	
Cash Receipts	<u>50,315</u>
	619,917
Decreased by:	
Cash Disbursements	<u>140,698</u>
Balance - December 31, 2014	\$ <u><u>479,219</u></u>

**Exhibit B-8**

**Section 8 - Housing Assistance Program**

**Schedule of Due to Grantor**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>47,711</u>
Balance - December 31, 2014	\$ <u><u>47,711</u></u>

**Exhibit B-9**

**CITY OF HOBOKEN**

**Section 8 - Housing Assistance Program**

**Schedule of Due to(from) Community Development Block Grant Trust Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	118,170
Increased by:		
Cash Disbursements	\$	140,698
Due to Current Fund		
Community Development Block Grant Receivables		<u>250,607</u>
Cash Disbursements		<u>391,305</u>
		509,475
Decreased by:		
Cash Reciepts		<u>50,315</u>
Balance - December 31, 2014	\$	<u><u>459,160</u></u>

**Exhibit B-10**

**Community Development Block Grant Trust Fund**

**Schedule of Due from(to) Section 8 - Housing Assistance Program**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$	118,170
Increased by:		
Cash Receipts	\$	140,698
Community Development Block Grant Receivables		<u>250,607</u>
		<u>391,305</u>
		509,475
Decreased by:		
Reimbursement for Expenses Paid		<u>50,315</u>
Balance - December 31, 2014	\$	<u><u>459,160</u></u>

**Exhibit B-11**

**CITY OF HOBOKEN**

**Community Development Block Grant Trust Fund**

**Schedule of Reserve for Community Development Block Grant**

**Year Ended December 31, 2014**

Balance - December 31, 2013		\$	889,726
Increased by:			
Grant Awards	\$	410,000	
Due from Section 8 Housing		<u>140,698</u>	
			<u>550,698</u>
			1,440,424
Decreased by:			
Disbursements		326,189	
Due to Section 8 Housing		<u>50,315</u>	
Cash Disbursements			<u>376,504</u>
Balance - December 31, 2014		\$	<u><u>1,063,920</u></u>

**Exhibit B-12**

**Community Development Block Grant Trust Fund**

**Schedule of Community Development Block Grant Receivable**

**Year Ended December 31, 2014**

Balance - December 31, 2013		\$	666,556
Increased by:			
Grant Awards			<u>410,000</u>
			1,076,556
Decreased by:			
Receipts			<u>576,796</u>
Balance - December 31, 2014		\$	<u><u>499,760</u></u>

**Exhibit B-13**

**CITY OF HOBOKEN**

**Community Development Block Grant Trust Fund**

**Schedule of Due From/(To) Federal and State Grant Fund**

**Year Ended December 31, 2014**

Balance - December 31, 2013	\$ <u>105,000</u>
-----------------------------	-------------------

Balance - December 31, 2014	\$ <u><u>105,000</u></u>
-----------------------------	--------------------------

## CITY OF HOBOKEN, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2014

Balance, December 31, 2013		\$	39,034
Increased by Receipts:			
Grant Proceeds Received and Applied	\$	619,974	
Interfunds		1,600,000	
Capital Improvement Fund		275,000	
Bond Anticipation Notes		4,968,206	
Fund Balance		<u>346,507</u>	
			<u>7,809,687</u>
			7,848,721
Decreased by Disbursements:			
Improvement Authorizations	\$	575,784	
Reserves		283,250	
Encumbrances		2,593,446	
Fund Balance		<u>344,740</u>	
			<u>3,797,220</u>
Balance, December 31, 2014		\$	<u><u>4,051,501</u></u>

## CITY OF HOBOKEN, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2014

Interfunds	\$	175,146
Reserve for Encumbrances		4,535,648
Capital Improvement Fund		622,827
Reserve for Hazmat Funds - Due from Grant		17,630
Reserve for Green Acres - 1600 Adams Street		200,000
Reserve for Green Acres - 1600 Park Avenue		341,000
Reserve for Grants Receivable:		
Reconstruction of Pier C		2,009,521
Reserve for Payment of BAN's		19,974
Fund Balance		346,508
Grants Receivable		(2,511,251)

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Improvement Description</u>	
	Creation of North Park	(267,836)
	Bond Ordinance for Tax Overpayment Refunds	(371,667)
R302	Improvements - City Hall	21,397
DR261/388	Various Road Improvements	2,906
DR326	Reconstruction of Pier C	(2,003,711)
	Construction of Waterfront Walkway	98,412
Z-18	Improvements to 1600 Park and Hoboken Cove	(1,337,323)
Z-23	Acquisition of Fire Apparatus	30,501
Z-30	Castle Point and Sinatra Park Waterfront Walkway	142,174
Z-33	Various Capital Improvements	123,915
Z-77	Acquisition of Quantar Station & SX8MCX	
	Conventional Master Repeaters	32,700
Z-94	Acquisition of Various Parcels of Land	325,700
Z-95	Improvements to Various Parks	51,985
Z-149	Acquisition of Capital Equipment and the Completion	
	of Various Capital Improvements	569,004
Z-218	Affordable Housing Projects	1,379,392
Z-234	Completion of Capital Improvements	
	to Various Parks and Recreation Facilities	3,673
Z-235	Rehabilitation/Reconstruction of Pier "A"	125,000
Z-248	Acquisition of emergency back-up electrical	
	generators and a high water vehicle	749,854
Z-262	Completion of Various Improvements to Elysian Park	(200,000)
Z-296	Resurfacing Streets & Improvements to Intersections	(1,163,578)
Z-299	Resurfacing Streets & Improvements to Intersections	(18,000)
		<u>\$ 4,051,501</u>

CITY OF HOBOKEN, N.J.  
Schedule of Grants Receivable  
General Capital Fund  
Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Description</u>	<u>Balance, Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2014</u>
DR-326	Port Authority; Reconstruction of Pier C	\$ 1,658,521		1,658,521
DR-326	New Jersey Department of Environmental Protection: Reconstruction of Pier C	951,000	600,000	351,000
Z-252	Various Improvements to Elysian Park	400,000		400,000
Z-18	Hudson County Open Space Improvements to 1600 Park Ave & Hoboken Cove	19,974	19,974	
	Developer's Share: Reserve for Maxwell Place Walkway	<u>101,730</u>		<u>101,730</u>
		<u>\$ 3,131,225</u>	<u>619,974</u>	<u>2,511,251</u>

## CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to Future  
Taxation - Funded

## General Capital Fund

Year Ended December 31, 2014

Balance, December 31, 2013	\$ 27,963,284
Decreased by:	
Green Acres Loans Paid	\$ 176,297
General Serial Bonds Paid	<u>3,775,000</u>
	<u>3,951,297</u>
Balance, December 31, 2014	\$ <u><u>24,011,987</u></u>

## CITY OF HOBOKEN, N.J.

Schedule of Deferred Charges to  
Future Taxation - Unfunded

## General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Analysis of Balance - December 31, 2014						
		Balance Dec. 31, 2013	Authorizations	Funded	Balance Dec. 31, 2014	Financed by		
						Bond	Anticipation Notes	Expenditures
Unexpended Improvement Authorization								
<u>General Improvements:</u>								
R13	Reconstruction & Renovation of Certain Piers	660,000		330,000	330,000			
	Creation of North Park	371,667			371,667		371,667	
	Bond Ordinance for Tax Overpayment Refunds	267,836			267,836		267,836	
DR42	Various Projects and Improvements	3,560,000		180,000	3,380,000	3,380,000		
DR233	Improvements of Buildings and Equipment	2,283,670		179,020	2,104,650	2,104,650		
DR233	Acquisition of Vehicles and Equipment	422,580			422,580	422,580		
DR233	Land Parcel Acquisition	2,000,000			2,000,000	2,000,000		
DR261/388	Various Road Improvements	1,720,000		45,000	1,675,000	1,675,000		
DR326	Reconstruction of Pier C	2,609,521		600,000	2,009,521		2,003,711	5,810
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	3,744,974		52,000	3,692,974	1,396,000	1,337,323	959,651
Z-23	Acquisition of Fire Apparatus	579,500			579,500	459,679		119,821
Z-30	Castle Point and Sinatra Park Waterfront Walkway	11,896,000		104,000	11,792,000	11,792,000		
Z-33	Various Capital Improvements	389,750		14,000	375,750	375,750		
Z-40	Acquisition of Public Works Garage	15,679,000		271,000	15,408,000	15,408,000		
Z-94	Acquisition of Various Parcels of Land	19,000,000			19,000,000			19,000,000
Z-95	Improvements to Various Parks	1,520,000			1,520,000	1,520,000		
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	2,881,777			2,881,777	2,881,777		
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities	1,140,000			1,140,000	1,140,000		2,375,000
Z-235	Rehabilitation and Reconstruction of Pier "A"	2,375,000			2,375,000			



## CITY OF HOBOKEN, N.J.

## Schedule of Interfund Due from/(to) Various Funds

## General Capital Fund

Year Ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	<u>Decreased</u>	Balance Dec. 31, <u>2014</u>
Federal and State Grant Fund	\$	175,146	(175,146)
Parking Utility Capital Fund	<u>1,600,000</u>	<u>1,600,000</u>	<u></u>
	<u>\$ 1,600,000</u>	<u>1,775,146</u>	<u>(175,146)</u>
Receipts		\$ 1,600,000	
Reserve for Encumbrances		<u>175,146</u>	
		<u>\$ 1,775,146</u>	

## CITY OF HOBOKEN, N.J.

## Schedule of General Serial Bonds Payable

## General Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, Dec. 31, 2014		Interest Rate	Balance Dec. 31, 2013	Decreased	Balance Dec. 31, 2014
			Date	Amount				
Early Retirement Pension Refunding Bonds	Aug. 1, 2003 \$	7,382,000	04/01/15	225,000	6.00%	\$ 6,972,442	185,000	6,787,442
			04/01/16	275,000	6.00%			
			04/01/17	295,000	6.00%			
			04/01/18	330,000	6.00%			
			04/01/19	360,000	6.50%			
			04/01/20	380,000	6.50%			
			04/01/21	440,000	6.50%			
			04/01/22	475,000	6.50%			
			04/01/23	525,000	6.50%			
			04/01/24	580,000	6.50%			
			04/01/25	660,000	6.50%			
			04/01/26	775,000	6.50%			
			04/01/27	217,820	7.14%			
			04/01/28	213,756	7.14%			
			04/01/29	212,557	7.14%			
			04/01/30	209,767	7.14%			
Qualified General Improvement Refunding Bonds, Tax Exempt Series 2003B	Nov. 1, 2003 \$	38,325,000	04/01/31	207,099	7.14%			
			04/01/32	204,501	7.14%			
			04/01/33	201,942	7.14%			
			02/01/15	3,785,000	5.33%	19,990,000	3,590,000	16,400,000
			02/01/16	3,985,000	5.33%			
			02/01/17	4,200,000	5.33%			
			02/01/18	4,430,000	5.33%			
						\$ 26,962,442	3,775,000	23,187,442

## CITY OF HOBOKEN, N.J.

## Schedule of Bond Anticipation Notes Payable

## General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Amount of Original Issue	Original Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
R-13	3,890,000	1/21/2004	3/18/2015	1.00%	\$ 660,000	330,000	660,000	330,000
DR-233	11,400,000	1/30/2006	3/18/2015	1.00%	4,706,250	4,527,230	4,706,250	4,527,230
DR-42	4,987,500	4/18/2006	3/18/2015	1.00%	3,560,000	3,380,000	3,560,000	3,380,000
DR-388	850,000	9/9/2009	3/18/2015	1.00%	670,000	625,000	670,000	625,000
DR-388	1,050,000	5/22/2014	3/18/2015	1.00%		1,050,000		1,050,000
Z-33	403,750	8/31/2010	3/18/2015	1.00%	389,750	375,750	389,750	375,750
Z-40	15,950,000	8/31/2010	3/18/2015	1.00%	15,679,000	15,408,000	15,679,000	15,408,000
Z-30	9,000,000	8/7/2012	3/18/2015	1.00%	9,000,000	9,000,000	9,000,000	9,000,000
Z-95	1,520,000	8/7/2012	3/18/2015	1.00%	1,520,000	1,520,000	1,520,000	1,520,000
Z-149	1,480,000	8/7/2012	3/18/2015	1.00%	1,480,000	1,480,000	1,480,000	1,480,000
Z-149	1,094,943	5/22/2014	3/18/2015	1.00%		1,094,943		1,094,943
Z-18	1,500,000	7/1/2010	3/18/2015	1.00%	1,448,000	1,396,000	1,448,000	1,396,000
Z-30	3,000,000	7/1/2010	3/18/2015	1.00%	2,896,000	2,792,000	2,896,000	2,792,000
Z-248	916,750	5/22/2014	3/18/2015	1.00%		916,750		916,750
Z-234	1,140,000	5/22/2014	3/18/2015	1.00%		1,140,000		1,140,000
Z-23	459,679	5/22/2014	3/18/2015	1.00%		459,679		459,679
Z-149	306,834	5/22/2014	3/18/2015	1.00%		306,834		306,834
					\$ 42,009,000	45,802,186	42,009,000	45,802,186
					Cash \$ 4,968,206			
					Renewed 40,833,980		40,833,980	
					Budget Appropriation 1,175,020		1,175,020	
					\$ 45,802,186		42,009,000	

**CITY OF HOBOKEN, N.J.**

**Schedule of Green Acres Loans Payable**

**General Capital Fund**

**Year Ended December 31, 2014**

Balance, December 31, 2013	\$ 1,000,842
Decreased by:	
Payments	<u>176,297</u>
Balance, December 31, 2014	\$ <u><u>824,545</u></u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Improvement Authorizations**

**General Capital Fund**

**Year Ended December 31, 2014**

Ordinance Number	Improvement Description	Ordinance Date	Ordinance Amount	Balance Dec. 31, 2013		Paid or Charged	Balance Dec. 31, 2014	
				Funded	Unfunded		Funded	Unfunded
R302	General Improvements:	04/01/98	156,000	21,397			21,397	2,906
DR261/388	Improvements - City Hall	06/16/06	2,000,000		79,956	77,050		5,810
DR326	Various Road Improvements	09/19/07	20,000,000		5,810			
	Reconstruction of Pier C	03/04/09	11,621,723	98,412		(73,395)	98,412	959,651
Z-18	Construction of Waterfront Walkway	07/01/10	4,127,000		886,256			150,321
Z-23	Improvements to 1600 Park and Hoboken Cove	09/03/10	610,000		150,321			142,174
Z-30	Acquisition of Fire Apparatus	09/03/10	12,000,000		149,053	6,879		123,915
Z-33	Castle Point and Sinatra Park Waterfront Walkway	09/03/10	425,000		123,915			
Z-77	Various Capital Improvements							
	Acquisition of Quantar Station & SX8MCX							
Z-94	Conventional Master Repeaters	01/05/11	310,000	32,700			32,700	
Z-95	Acquisition of Various Parcels of Land	03/16/11	20,000,000	544,484	19,000,000	218,784	325,700	19,000,000
Z-149	Improvements to Various Parks	03/16/11	1,600,000		2,125	(49,860)		51,985
	Acquisition of Capital Equipment and the Completion							
	of Various Capital Improvements							
Z-218	Affordable Housing Projects	12/21/11	3,033,450		794,192	225,188		569,004
Z-234	Completion of Capital Improvements	10/17/12	1,950,000	1,406,682		27,290	1,379,392	
	to Various Parks and Recreation Facilities							
Z-235	Rehabilitation/Reconstruction of Pier "A"	03/20/13	1,200,000		79,489	75,815		3,674
Z-248	Acquisition of emergency back-up electrical generators and a high water vehicle	10/02/13	2,500,000	125,000	2,375,000		125,000	2,375,000
	Various Improvements to Elysian Park							
Z-252	Completion of Various Improvements to Elysian Park	09/03/13	965,000	8,250	916,750	175,146		749,854
Z-262	Resurfacing Streets & Improvements to Intersections	09/17/13	400,000					
Z-296	Resurfacing Streets & Improvements to Intersections	11/06/13	200,000					
Z-299	Resurfacing Streets & Improvements to Intersections	05/22/15	2,000,000		2,000,000	1,263,578		736,422
Z-300	Historical Preservation, Restoration & Rehabilitation	07/10/15	1,800,000		1,800,000	108,000		1,692,000
	Various Improvements to Stormwater System							
Z-326		07/10/15	142,500		142,500	142,500		
		12/17/15	11,950,000		11,950,000			11,950,000

**CITY OF HOBOKEN, N.J.**  
**Schedule of Reserve for Encumbrances**  
**General Capital Fund**  
**Year Ended December 31, 2014**

Balance, December 31, 2013		\$	5,683,049
Increased by:			
Improvement Authorizations			<u>1,621,191</u>
			7,304,240
Decreased by:			
Payments	\$	2,593,446	
Interfunds		<u>175,146</u>	
			<u>2,768,592</u>
Balance, December 31, 2014	\$		<u><u>4,535,648</u></u>

**CITY OF HOBOKEN, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2014**

Balance, December 31, 2013	\$ 680,327
Increased by:	
Budget appropriation	\$ <u>275,000</u>
	955,327
Decreased by:	
Appropriated	<u>332,500</u>
Balance, December 31, 2014	\$ <u><u>622,827</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Reserves

## General Capital Fund

Year Ended December 31, 2014

	Balance Dec. 31, <u>2013</u>	<u>Decreased</u>	Balance Dec. 31, <u>2014</u>
Reserve for:			
Hazmat Fund	\$ 17,630		17,630
Green Acres - 1600 Adams Street	200,000		200,000
Green Acres - 1600 Park Avenue	341,000		341,000
Grants Receivable:			
Reconstruction of Pier C	2,609,521	600,000	2,009,521
Impr. to 1600 Park Ave & Hoboken Cove	19,974	19,974	
Unappropriated Reserve - Metro Stop, 800 Jackson Street	<u>283,250</u>	<u>283,250</u>	<u>          </u>
	<u>\$ 3,471,375</u>	<u>903,224</u>	<u>2,568,151</u>
	Cash \$	283,250	
Transferred to Reserve for Payment of BANs		19,974	
Deferred Charges - Unfunded		<u>600,000</u>	
		<u>\$ 903,224</u>	

CITY OF HOBOKEN, N.J.

Reserve for Payment of Bond Anticipation Notes

General Capital Fund

Year Ended December 31, 2014

	<u>Increased</u>	Balance Dec. 31, <u>2014</u>
Reserve for:		
Impr. to 1600 Park Ave & Hoboken Cove	<u>19,974</u>	<u>19,974</u>
	\$ <u>19,974</u>	<u>19,974</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2013</u>	<u>Authorizations</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2014</u>
<u>General Improvements:</u>					
	Creation of North Park	267,836			267,836
	Bond Ordinance for Tax Overpayment Refunds	371,667			371,667
DR621/388	Various Road Improvements	1,050,000		1,050,000	
DR326	Reconstruction of Pier C	2,609,521		600,000	2,009,521
Z-18	Improvements to 1600 Park Ave & Hoboken Cove	2,296,974			2,296,974
Z-23	Acquisition of Fire Apparatus	579,500		459,679	119,821
Z-94	Acquisition of Various Parcels of Land	19,000,000			19,000,000
Z-149	Acquisition of Capital Equipment and the Completion of Various Capital Improvements	1,401,777		1,401,777	
Z-234	Completion of Capital Improvements to Various Parks and Recreation Facilities	1,140,000		1,140,000	
Z-235	Rehabilitation and Reconstruction of Pier "A"	2,375,000			2,375,000
Z-248	Acquisition of Emergency Back-Up Electrical Generators and a High Water Vehicle	916,750		916,750	
Z-262	Completion of Various Improvements to Elysian Park	200,000			200,000
Z-296	Resurfacing Streets & Improvements to Intersections		1,900,000		1,900,000
Z-299	Resurfacing Streets & Improvements to Intersections		1,710,000		1,710,000
Z-326	Various Improvements to Stormwater System		11,950,000		11,950,000
		<u>\$ 32,209,025</u>	<u>15,560,000</u>	<u>5,568,206</u>	<u>42,200,819</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Cash - Treasurer

## Parking Utility Fund

Year Ended December 31, 2014

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2013	\$ 3,542,415	\$ 346,307
Increased by Receipts:		
Budget Revenues	15,952,835	
Miscellaneous Revenue Not Anticipated	14,479	
Interfunds	644,481	
Bond Anticipation Notes		1,600,000
Total Receipts	16,611,795	1,600,000
Decreased by Disbursements:		
2014 Appropriations	14,606,527	
2013 Appropriation Reserves	621,208	
Interfunds	644,481	1,600,000
Reserve for Retro Pay - HPU	244,146	
Improvement Authorizations		173,965
Interest on Bonds and Notes	584,794	
Refunds of Prior Year Revenue	24,216	
Total Disbursements	16,725,372	1,773,965
Balance, December 31, 2014	\$ <u>3,428,838</u>	\$ <u>172,342</u>

CITY OF HOBOKEN, N.J.

Schedule of Interfunds Due from/(to) Various Funds

Parking Utility Operating Fund

Year Ended December 31, 2014

	<u>Increased</u>	<u>Decreased</u>
Current Fund Fund	\$ <u>644,481</u>	<u>644,481</u>
	\$ <u><u>644,481</u></u>	<u><u>644,481</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of 2013 Appropriation Reserves

## Parking Utility Operating Fund

Year Ended December 31, 2014

	Balance Dec. 31, 2013	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	\$ 1,439	1,439		1,439
Other Expenses	390,281	916,196	608,728	307,468
Other Expenses - Trustee Fees				
Total Operating	391,720	917,635	608,728	308,907
Capital Improvements				
Capital Outlay	132,132	132,132	12,480	119,652
Total Capital Improvements	132,132	132,132	12,480	119,652
	\$ 523,852	1,049,767	621,208	428,559
Appropriation Reserves \$		523,852		
Encumbrances		525,915		
		\$ 1,049,767		

**CITY OF HOBOKEN, N.J.**

**Schedule of Security Deposits**

**Parking Utility Operating Fund**

**Year Ended December 31, 2014**

Balance, December 31, 2013	\$ <u>233,776</u>
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Balance, December 31, 2014	\$ <u><u>233,776</u></u>
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## CITY OF HOBOKEN, N.J.

## Schedule of Accrued Interest Payable

## Parking Utility Operating Fund

Year Ended December 31, 2014

Balance, December 31, 2013		\$	435,536
Increased By:			
Interest on Bonds	\$	525,354	
Interest on Notes		<u>59,440</u>	
			<u>584,794</u>
			1,020,330
Decreased By:			
Interest Paid on Bonds		525,354	
Interest Paid on Notes		<u>59,440</u>	
			<u>584,794</u>
Balance, December 31, 2014		\$	<u><u>435,536</u></u>

## Analysis of Accrued Interest Payable at December 31 2014:

	Outstanding Principal	Interest Rate	Terms	Accrued Interest
Bond Anticipation Notes	\$ 5,188,000	1.00%	05/24/14-12/31/14	32,137
Bond Anticipation Notes	\$ 1,600,000	1.00%	09/25/14-12/31/14	4,311
Refunding Bonds	\$ 13,925,000	Various	07/01/14 - 12/31/14	<u>197,066</u>
				\$ <u><u>233,514</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Encumbrances

Parking Utility Operating Fund

Year Ended December 31, 2014

Balance, December 31, 2013	\$	525,915
Increased By:		
Current Year Encumbrances		<u>233,345</u>
		759,260
Decreased By:		
Transfer to Appropriation Reserves		<u>525,915</u>
Balance, December 31, 2014	\$	<u><u>233,345</u></u>

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Retro Pay - HPU

Parking Utility Operating Fund

Year Ended December 31, 2014

Balance, December 31, 2013	\$	500,000
Decreased By:		
Cash Disbursements		<u>244,146</u>
Balance, December 31, 2014	\$	<u><u>255,854</u></u>

**Exhibit D-11**

**CITY OF HOBOKEN, N.J.**

**Schedule of Fixed Capital**

**Parking Utility Capital Fund**

**Year Ended December 31, 2014**

Balance, December 31, 2013	\$ <u>45,157,185</u>
Balance, December 31, 2014	\$ <u><u>45,157,185</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Fixed Capital Authorized and Uncompleted

## Parking Utility Capital Fund

Year Ended December 31, 2014

Ordinance number	Improvement description	Ordinance		Balance, Dec. 31, 2013	Deferred Charges to Future Revenue	Expended	Balance, Dec. 31, 2014
		Date	Amount				
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000	\$ 1,600,000			1,600,000
Z-254	Refunding Bond Ordinance	10/17/13	14,000,000	14,000,000	1,100,000		12,900,000
n/a	Automatic License Plate Readers	n/a	n/a	141,120			141,120
Z-313	Installation of Automated Parking Meters	10/1/14	5,000,000		5,000,000		5,000,000
				\$ 15,741,120	5,000,000	1,100,000	19,641,120

**CITY OF HOBOKEN, N.J.**

**Schedule of Due From/(To) General Capital Fund**

**Parking Utility Capital Fund**

**Year Ended December 31, 2014**

Balance, December 31, 2013	\$ <u>(1,600,000)</u>
Increased By:	
Interfunds Paid	\$ <u><u>1,600,000</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Bond Anticipation Notes Payable

## Parking Utility Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance December 31, 2013	Increased	Decreased	Balance December 31, 2014
DR69/94	Parking Utility Notes Series 2008C	12/01/05	05/22/14	03/18/15	1.00%	\$ 3,600,000	3,400,000	3,600,000	3,400,000
DR399	Parking Utility Notes Series 2010	07/01/10	05/22/14	03/18/15	1.00%	1,894,000	1,788,000	1,894,000	1,788,000
Z-99	Parking Utility Notes Series 2014B	09/16/14	09/25/14	03/18/15	1.00%		1,600,000		1,600,000
						<u>\$ 5,494,000</u>	<u>6,788,000</u>	<u>5,494,000</u>	<u>6,788,000</u>
						Notes Issued \$ 1,600,000			
						Renewed 5,188,000		5,188,000	
						Budget Appropriation		306,000	
							<u>\$ 6,788,000</u>	<u>5,494,000</u>	<u>5,494,000</u>

## CITY OF HOBOKEN, N.J.

## Schedule of Parking Utility Serial Bonds

## Parking Utility Capital Fund

Year Ended December 31, 2014

Purpose	Date of issue	Original issue	Maturities of bonds outstanding, December 31, 2014		Interest rate	Balance, December 31, 2013	Increased	Decreased	Balance, December 31, 2014
			Date	Amount					
Parking Utility General Obligation Bonds - Series 2002	January 1, 2003	26,530,000	January 1, 2020	230,000	4.00-5.25%	\$ 16,295,000		13,350,000	2,945,000
			January 1, 2021	860,000	4.00-5.25%				
			January 1, 2022	905,000	4.00-5.25%				
			January 1, 2023	950,000	4.00-5.25%				
Parking Utility General Obligation Refunding Bonds - Series 2014	January 1, 2014	10,980,000	January 1, 2015	1,295,000	1.250%		10,980,000		10,980,000
			January 1, 2016	1,320,000	3.000%				
			January 1, 2017	1,365,000	4.000%				
			January 1, 2018	1,420,000	4.000%				
			January 1, 2019	1,550,000	5.000%				
			January 1, 2020	1,395,000	5.000%				
			January 1, 2021	835,000	5.000%				
			January 1, 2022	875,000	5.000%				
			January 1, 2023	925,000	5.000%				
						\$ 16,295,000	10,980,000	13,350,000	13,925,000

**CITY OF HOBOKEN, N.J.**  
**Schedule of Improvement Authorizations**  
**Parking Utility Capital Fund**  
**Year Ended December 31, 2014**

Ordinance number	Improvement description	Ordinance		Balance, December 31, 2013		2014 Authorizations	Expended	Balance, December 31, 2014	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
Unknown	Improvements to Parking Garage	12/19/07	2,200,000	\$	224,274		7,172		217,102
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000		322,033		166,793		155,240
Z-254	Refunding Bond Ordinance	10/17/13	14,000,000		14,000,000		12,080,000		1,920,000
Z-313	Installation of Automated Parking Meters	10/1/14	5,000,000			5,000,000			5,000,000
				\$	14,546,307	5,000,000	12,253,965		7,292,342
						Cash \$	173,965		
						Bond Refunding	12,080,000		
							\$ 12,253,965		

**CITY OF HOBOKEN, N.J.**  
**Schedule of Lease Purchase Agreement Payable**

**General Capital Fund**

**Year Ended December 31, 2014**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Loans Outstanding, December 31, 2014</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2013</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2014</u>
			<u>Date</u>	<u>Amount</u>				
Automatic License Plate Readers	Nov. 1, 2013	141,120	7/1/2015	21,338	2.432% \$	141,120	52,605	88,515
			7/1/2016	21,857	2.432%			
			7/1/2017	22,388	2.432%			
			7/1/2018	22,933	2.432%			
						<u>\$ 141,120</u>	<u>52,605</u>	<u>88,515</u>

CITY OF HOBOKEN, N.J.

Schedule of Reserve for Amortization

Parking Utility Capital Fund

Year Ended December 31, 2014

Balance, December 31, 2013		\$ 23,168,185
Increased by:		
Payment of Serial Bond Principal	\$ 13,350,000	
Payment of Bond Anticipation Note Principal	306,000	
Payment of Capital Lease Principal	<u>52,605</u>	
		<u>13,708,605</u>
Balance, December 31, 2014		\$ <u><u>36,876,790</u></u>

## CITY OF HOBOKEN, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## Parking Utility Capital Fund

Year Ended December 31, 2014

Ordinance number	Improvement description	Ordinance		Balance December 31, 2013	2014 Authorizations	Issued	Balance 2014
		Date	Amount				
D-399	Improvements to Parking Garage	12/19/07	2,200,000	200,000			200,000
Z-99	Various Parking Utility Improvements	4/20/11	1,600,000	1,600,000			1,600,000
Z-254	Refunding Bond Ordinance	10/17/13	14,000,000	14,000,000		12,080,000	1,920,000
Z-313	Installation of Automated Parking Meters	10/1/14	5,000,000		5,000,000		5,000,000
				\$ 15,800,000	5,000,000	12,080,000	8,720,000

**CITY OF HOBOKEN**

**LETTERS ON COMPLIANCE AND ON INTERNAL CONTROL**

**GENERAL COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2014**

# Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

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## **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor and  
Members of the City Council  
City of Hoboken  
County of Hudson, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the City of Hoboken in the County of Hudson as of and for the year ended December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated April 20, 2015, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the City of Hoboken's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the City of Hoboken's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify a certain immaterial deficiency in internal control that we have reported to management in the accompanying comments and recommendations section of this report.


### **Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the City of Hoboken's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the City of Hoboken in the accompanying comments and recommendations section of this report.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Hoboken's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hoboken's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Steven D. Wielkötz, C.P.A.  
Registered Municipal Accountant  
No. CR00413

  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

April 20, 2015



# **Ferraioli, Wielkottz, Cerullo & Cuva, P.A.**

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

Honorable Mayor and  
Members of the City Council  
City of Hoboken  
County of Hudson, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the City of Hoboken in the County of Hudson compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014. The City of Hoboken's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City of Hoboken's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *"Audits of States, Local Governments, and Non-Profit Organizations"*; and the provisions of the New Jersey State Treasury Circular Letter 04-04, *"Single Audit Policy for Recipients of Federal Grants, State Grants and*



State Aid Payments." Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the City of Hoboken's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the City of Hoboken's compliance.

### **Opinion on Each Major Federal and State Program**

In our opinion, the City of Hoboken complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

### **Report on Internal Control Over Compliance**


Management of the City of Hoboken is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Hoboken's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Hoboken's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


Honorable Mayor and  
Members of the City Council  
Page 3.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



Steven D. Wielkottz, C.P.A.  
Registered Municipal Accountant  
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

April 20, 2015

## CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of Federal Awards

Year Ended December 31, 2014

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2013	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	MEMO	
										Cumulative Total	Expenditures
Federal Grantor Pass Through Grantor Program Title: Passed Through Hudson County Dept. of Finance and Admin.	14.218	2000	90,000	51,039					51,039	389,961	*
	14.218	2001	60,000	60,000					60,000	70,000	*
	14.218	2005	90,000	20,000					20,000	484,737	*
	14.218	2006	489,400	4,663					4,663	126,358	*
	14.218	2007	150,000	23,642					23,642	150,882	*
	14.218	2008	200,000	49,118					49,118	249,280	*
	14.218	2009	250,000						32,146	162,415	*
	14.218	2010	225,000	32,146					50,000	407,000	*
	14.218	2011	50,000	50,000					50,000	294,173	*
	14.218	2012	425,000	(182,763)					(182,763)	57,135	*
	14.218	2013	425,000	(8,253)					(8,253)	255,840	*
	14.218	2014	410,000			255,840			(255,840)	50,000	*
	14.269	2014	100,000			50,000			(50,000)		*
	14.269	2014	200,000								*
			3,621,400	149,592		305,840			(156,248)	2,697,781	*
			3,621,400	149,592		305,840			(156,248)	2,697,781	*
	15.608	2014	250,000								*
			250,000								*
											*

Total U.S. Dept. of Housing and Urban Development

U.S. Department of Interior:

Fish and Wildlife Management Assistance

Total U.S. Department of Interior

## CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of Federal Awards

Year Ended December 31, 2014

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2013	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	MEMO Cumulative Total Expenditures
U.S. Department of Justice:										
Public Safety Partnership and Community Policing Grants										
Bulletproof Vest Partnership	16.710	2010	5,132	3,880		1,252		1,252	3,880	2,504
National Police Athletic League - 2011-12 Mentoring Program	16.541	2011	30,000	(27,366)					(27,366)	28,985
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2011	18,585	39					39	18,546
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2012	14,579	(14,475)		14,475		14,475	(14,475)	28,950
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2013	15,614							
Byrne Justice Assistance Grant (JAG) Prosecutor	16.738	2014	16,924							
Save the Youth Grant	16.540	2007	1,760	1,760					1,760	
Save the Youth Grant	16.540	2011	17,881	17,881					17,881	
Save the Youth Grant	16.540	2009	223,587	86					86	223,501
Total U.S. Department of Justice			344,062	(18,195)		15,727		15,727	(18,195)	302,486
Department of Agriculture:										
Passed Through the NJ Department of Agriculture		Prior Year								
Summer Food Service	10.559	2007	20,000							20,000
Summer Food Service	10.559	2010	15,823	4,822					4,822	11,001
Summer Food Service	10.559	2010	31,374	183					183	31,023
Summer Food Service	10.559	2010	25,728	25,728					25,728	
Summer Food Service	10.559	2011	34,115	2,824					2,824	31,291
Summer Food Service	10.559	2012	32,653	961					961	31,692
Summer Food Service	10.559	2012	5,943	5,943					5,943	
Summer Food Service	10.559	2013	41,385	(1,754)					(1,754)	28,855
Summer Food Service	10.559	2014	51,704		42,558	49,902			(7,344)	49,902
Summer Food Service			258,725	38,707	42,558	49,902			31,363	203,764

## CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of Federal Awards

Year Ended December 31, 2014

Program	CFDA number	Grant period	Award Amount	Balance at Dec. 31, 2013	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	MEMO Cumulative Total Expenditures
Department of Transportation										
Passed Through the NJ Department of Transportation										
1600 Park Avenue Development	20.205	2008	300,000							
Various Street Improvements	20.205	2009	400,374	12,536					12,536	387,838
2008 Roadway Improvements Project	20.205	2008	400,000	(4,084)					(4,084)	336,795
2009 Roadway Improvements Project	20.205	2009	410,732	145,512					145,512	
2009 Safe Streets to Transit	20.205	2010	80,000	(74,960)					(74,960)	74,960
2010 Various Street Improvements	20.205	2010	460,531	3,680					3,680	456,851
2010 Safe Streets to Transit	20.205	2010	80,000	80,000					80,000	
2010 Hudson Place Funding	20.205	2010	80,000	31,553					31,553	48,447
2011 Aid for Various Streets	20.205	2011	400,125	(113,512)	113,512	20,187		20,187		420,312
2012 Aid for Various Roads	20.205	2012	396,000	(99,000)	99,000					396,000
2013 Road Improvement Program	20.205	2013	356,280	(356,280)	267,210	324,592		356,280	(57,382)	680,872
2013 Transportation Enhancement, Redesign of Newark Street	20.205	2013	118,000							
2014 Aid for Various Streets	20.205	2014	400,620							
			3,882,662	(374,555)	479,722	344,779		376,467	136,855	2,802,075
Department of Transportation										
Passed Through the NJ Division of Law & Public Safety										
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2007	20,000	941					941	19,059
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2008	18,000	800					800	14,400
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2009	90,905	90,105					90,105	
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2010	8,000	8,000					8,000	
State and Community Highway Safety (Walk Safe Pedestrian)	20.600	2012	15,000	(1,600)					(1,600)	7,400
State and Community Highway Safety (Walk Safe Pedestrian)	20.601	2012	4,400							4,050
Drive Sober or Get Pulled Over	20.601	2012	7,500							
Drive Sober or Get Pulled Over	20.601	2014	163,805	98,246					98,246	44,909

## CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of Federal Awards

Year Ended December 31, 2014

Program	CFDA number	Grant period	Award Amount	Balance at Dec 31, 2013	Cash Received	Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec 31, 2014	MEMO Cumulative Total Expenditures
Department of Transportation Passed Through the National Highway Traffic Safety Over the Limit Under Arrest Over the Limit Under Arrest	20.601 20.601	2008 2009	5,000 4,700 9,700	(400) 300 (100)					(400) 300 (100)	4,800 4,400 9,200
Department of Homeland Security FEMA - Staffing for Adequate Fire and Emergency Response	97.044	2010	453,441	(42,491)					(42,491)	453,441
FEMA - Fire Apparatus	97.044	2011	427,962	436					436	427,526
FEMA - Fire Equipment	97.044	2011	118,827	65,474					65,474	53,353
FEMA - Fire Boat	97.044	2012	364,464	(4)					(4)	364,460
FEMA - Safer Grant	97.044	2012	1,118,600		438,416	345,000			93,416	345,000
FEMA - Firefighters Assistance Grant	97.044	2010	16,394	16,394					16,394	
Firefighters Assistance Grant	97.044	2012	272,697	58					58	272,639
Firefighters Assistance Grant	97.044	2012	14,708	(11,327)	14,708				3,381	11,327
Firefighters Assistance Grant	97.044	2012	16,394	(12,124)					(12,124)	12,124
Firefighters Assistance Grant	97.044	2013	35,440	25,315		29,028			(3,713)	39,153
Port Authority Security Grant	97.056	2012	24,824							
Port Authority Security Grant	97.056	2012	297,000	(21,031)	219,275	219,317			(21,073)	240,348
Port Authority Security Grant	97.056	2013	105,000							
Port Authority Security Grant	97.056	2014	123,954		123,954	70,884			53,070	123,954
FEMA - Hurricane Sandy	97.036	2013	4,058,181	(1,677,026)					(1,677,026)	4,058,181
FEMA - Hazard Mitigation Grant	97.039	2014	132,854							
			7,580,740	(1,656,326)	796,353	664,229			(1,524,202)	6,401,506
Total Federal and State Grant Fund Expenditures			16,111,094	(1,762,631)	1,318,633	1,380,477		392,194	(1,432,281)	12,461,721
Total Federal Awards			\$ 16,111,094	\$ (1,762,631)	1,318,633	1,380,477		392,194	(1,432,281)	21,571,288

Note: See accompanying notes to schedules of expenditures of federal and state awards.

## CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2014

	Grant number	Grant period	Award Amount	Balance at Dec. 31, 2013	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	MEMO Cumulative Total Expenditures
Federal and State Grant Fund:										
Department of Community Affairs										
Domestic Violence	N/A	2008	1,250	1,250					1,250 *	
State Cooperative Housing Inspections	022-8010-100-023	2009	100,000	(25,003)					(25,003) *	100,000
State Cooperative Housing Inspections	022-8010-100-023	2011	100,000	(54,716)					(54,716) *	100,000
State Cooperative Housing Inspections	022-8010-100-023	2012	19,570	19,570					19,570 *	
Multi Service Center Replacement	N/A	2009	200,000	(200,000)					(200,000) *	139,833
Hoboken 911 Memorial on Pier	N/A	2010	250,000	(63,271)					(63,271) *	63,271
Recreation Opportunities for Individuals with Special Needs (ROID)	N/A	2013	12,000		9,885	8,953			932 *	8,953
Recreation Opportunities for Individuals with Special Needs (ROID)	N/A	2014	15,000			10,000			(10,000) *	10,000
Housing Inspection Program	N/A	2013	70,000	(14,815)					(14,815) *	70,000
Housing Inspection Program	N/A	2014	97,000		58,258	97,000			(38,742) *	97,000
Total Dept. Of Community Affairs				(336,985)	68,143	115,953			(384,795) *	589,057
Dept. of Environmental Protection										
Clean Communities Program	765-042-4900-004-6020	2008	97,387	97,387					97,387 *	
Clean Communities Program	765-042-4900-004-6020	2009	43,810	11,475					11,475 *	32,335
Clean Communities Program	765-042-4900-004-6020	2010	43,548	1,013					1,013 *	31,531
Clean Communities Program	765-042-4900-004-6020	2010	56,800	1,136					1,136 *	55,664
Clean Communities Program	765-042-4900-004-6020	2010	12,084							
Clean Communities Program	765-042-4900-004-6020	2011	70,961	212					212 *	70,749
Clean Communities Program	765-042-4900-004-6020	2012	69,909			41,098			(41,098) *	41,098
Clean Communities Program	765-042-4900-004-6020	2013	82,079	8,000		82,055		74,079	24 *	82,055
Clean Communities Program	765-042-4900-004-6020	2014	76,222		76,222				76,222 *	
Clean Communities Program	765-042-4900-001-6020	2010	25,021	25,021					25,021 *	
Recycling Tonnage Grant	765-042-4900-001-6020	2011	23,922	23,922					23,922 *	
Recycling Tonnage Grant	765-042-4900-001-6020	2012	37,033	37,033					37,033 *	
Recycling Tonnage Grant	765-042-4900-001-6020	2013	82,998	82,998					82,998 *	
Recycling Tonnage Grant	765-042-4900-001-6020	2012	6,500	6,500					6,500 *	
Forestry Grant	N/A	2013	20,000							
CSIP Tree Pruning Grant	N/A	2014	10,000							
Green Infrastructure Education and Implementation	N/A	2014	10,000							
Green Acres	N/A	2014	10,000							
DEP Waterfront Reconstruction	042-4800-533-003-12	2010	900,000	(900,000)	76,222	123,153		74,079	(900,000) *	900,000
Total Dept. of Environmental Protection				(605,303)	76,222	123,153		74,079	(578,155) *	1,213,432
Dept of Health & Senior Services Direct										
Public Healthcare Mgmt. Caregivers	N/A	2008	118,921	38,424					38,424 *	80,497
Public Healthcare Mgmt. Caregivers	N/A	2008	5,291	5,291					5,291 *	58,796
Public Healthcare Mgmt. Caregivers	N/A	2010	9,703	17,409					17,409 *	318
Public Health Priority Funding	N/A	2008	5,529	(2,318)					(2,318) *	5,529
Senior Emergency Funds	N/A	2009	3,059	3,059					3,059 *	
Senior Emergency Funds	N/A	2009	3,059	3,059					3,059 *	
Hepatitis B Inoculation Fund	N/A	2010	4,705	4,705					4,705 *	
HIV Grant	10-480-BT-L-1	2010	104,454	(1,002)					(1,002) *	48,702
Total Dept. of Health & Senior Services-Direct				65,568					65,568 *	193,842

## CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2014

	Grant number	Grant period	Award Amount	Balance at Dec. 31, 2013	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	MEMO Cumulative Total Expenditures
Dept. of Law and Public Safety										
Body Armor Replacement Program	098-718-066-1020-001	2009	15,374	997		4,064			997	14,377
Body Armor Replacement Program	098-718-066-1020-001	2010	14,377	12,634					12,634	4,064
Body Armor Replacement Program	098-718-066-1020-001	2011	11,833			1,483				2,972
Body Armor Replacement Program	098-718-066-1020-001		Prior Year	4,564		833			4,564	29,338
Body Armor Replacement Program	098-718-066-1020-001	2012	12,146			12,146				12,146
Body Armor Replacement Program	098-718-066-1020-001	2013	15,341	15,341					15,341	
Body Armor Replacement Program	098-718-066-1020-001	2014	13,390		15,390				15,390	
Click-It-Or-Ticket	098-718-066-1020-001	2009	4,000							
Drunk Driving Enforcement Fund		2010	12,377	4,225		4,165			60	12,317
Municipal Court DWI Grant		2011	1,510	146		147			(1)	1,510
Total Dept. of Law and Public Safety				37,907	15,390	22,838		18,526	48,985	76,744
Dept. of Justice										
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2007								
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2008	1,253	53					53	1,200
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2009	1,253	55		55				1,253
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2012	1,295	970		970				1,295
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2013	1,055	79		79				1,055
Alcohol Ed Rehab Enforcement Fund	4250-700-05000-063	2014	2,954		2,954	1,248			1,706	1,248
Total Dept. of Justice				1,157	2,954	2,352			1,759	6,051
Department of Treasury										
State Contingency Fund										
Business Stimulus Fund Grant		2010	6,500	(6,500)					(6,500)	6,500
Fire Department Grant			47,438	47,438					47,438	
Total State Contingency Fund				40,938					40,938	6,500
New Jersey Economic Development Agency										
Stronger NJ Neighborhood and Community Revitalization Program	N/A	2014	879,401							
Total New Jersey Economic Development Agency										

## CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2014

Grant number	Grant period	Award Amount	Balance at Dec. 31, 2013	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	MEMO Cumulative Total Expenditures
Other State Agencies:									
Safety Performance Award	2012	100						*	100
Cultural Affairs Partnership Arts	2012	5,880	(1,470)		375		375	(1,470)	5,880
Cultural Affairs Partnership Arts	2012	18,750	895		1,339			(444)	18,750
Cultural Affairs Partnership Arts	2013	6,216	(1,554)	1,554	300		300		6,216
Cultural Affairs Partnership Arts	2014	5,635		4,226	5,635			(1,409)	
Bike Corral	2012	5,060	519					519	4,481
Sustainable Jersey Grant	2012	20,000	6,000					6,000	4,000
Sustainable Jersey Grant	2013	2,000	2,000		2,000				2,000
Clean Energy Program	2009	41,692	(41,692)					(41,692)	41,692
NJEDA Hazardous Site Remediation	2010	10,299	(29,013)					(29,013)	9,925
Junior Tennis Foundation	2013	1,500	204					204	1,296
Cert. Community Emergency Response Team	2013	1,000	(385)					(385)	385
NJ Historic Trust Grant	2013	37,500			13,410			(13,410)	13,410
Cultural Affairs Marketing Program	2013	15,750	11,812	3,938				15,750	
US Soccer Foundation - Synthetic Field	2013	200,000		140,000					200,000
NJ Energy Allocation Initiative	2013	250,000							
State Tourism Grant	2011	7,504	207	149,718	23,059		675	(65,143)	7,297
Total Other State Agencies			(52,477)						315,432
Total Federal and State Grant Fund Assistance			(849,195)	312,427	287,355		93,280	(870,843)	2,401,058
Federal and State Grant Fund:									
Federal Grant/Pass Through Grant/Program Title									
Passed Through Hudson County Dept. of Finance and Administration:									
Hudson County Open Space Grant	2007	300,000	1					1	299,999
Hudson County Open Space Grant	2009	300,000							300,000
Hudson County Open Space Grant	2010	300,000	(1,370)					(1,370)	300,000
Hudson County Open Space Grant	2012	250,000	(15,103)	1,370	599			(14,332)	233,106
Hudson County Open Space Grant	2012	100,000			42,808		42,808		100,000
Hudson County Open Space Grant	2012	3,000,000	(63,000)	60,000				(3,000)	3,000,000
Hudson County Open Space Grant - Cove	2013	100,000		10,235	24,637			(14,402)	
Hudson County Open Space Grant - Cove	2014	500,000							
Municipal Alliance Program - County	2011	40,261	(1,184)					(1,184)	40,261
Municipal Alliance Program - County	2012	40,261	21					21	40,240
Municipal Alliance Program - County	2013	38,840	(18,709)	38,840	17,752			2,379	36,461
Municipal Alliance Program - County	2014	19,420		19,420				19,420	19,420
Municipal Alliance Program - County	2014	43,200							
Municipal Alliance Program - County	2009	126,998	(36,821)					(36,821)	101,598
Adult Day Care	2010	27,055	27,055					27,055	
Adult Day Care	2010	127,000	(18,027)					(18,027)	69,400
Adult Day Care	2012	127,796	(2)					(2)	127,796
Adult Day Care	2013	129,378	(33,971)	21,392				(12,579)	129,378
Adult Day Care	2014	127,800		98,113	127,800			(29,687)	127,800
City Recreation Program	2009	10,000	10,000					10,000	
Comprehensive Program for the Elderly		674	674					674	
Cultural and Heritage Program	2010	4,734							4,734
HHS Senior Citizens - #688	2011	12,000	(360)					(360)	12,000
HHS Senior Citizens - #88	2011	115,000	(29,144)	249,370	213,596		42,808	(29,144)	115,000
Total Pass-Through Programs			(179,940)					(101,358)	5,037,193

## CITY OF HOBOKEN, N.J.

## Schedule of Expenditures of State and Local Financial Assistance

Year Ended December 31, 2014

	Grant number	Grant period	Award Amount	Balance at Dec. 31, 2013	Cash Received	Budgetary Expenditures	Cancellations	Adjustments	Deferred Revenue/ (Accounts Receivable) at Dec. 31, 2014	MEMO Total Expenditures
Other Direct Programs:										
Senior Emergency Funds										
1600 Park Avenue (Land and Water)	N/A	2008	1,513,420	7,680					7,680	1,513,420
PAL of NJ - After School Initiative Grant	N/A	2010	30,000	23,360					23,360	6,640
Health Officers Association LINCIS Grant	N/A	2010	2,500	300					300	2,200
Cultural Affairs Studio Tour/Concert	N/A	2011	3,200	1,850					1,850	550
US Soccer Foundation - Planning Grant	N/A	2011	8,000							
Hoboken PAL	N/A	2012	15,000	(11,971)					(11,971)	15,000
Hoboken PAL	N/A	2012	30,000	19,026					19,026	
Hoboken PAL	N/A	2013	14,500	7,296					7,296	
Arbor Day Foundation	N/A	2014	20,000	47,541					47,541	1,537,810
Total Other Direct Programs				(132,399)	249,370	213,596		42,808	(53,817)	6,595,003
Total County/Other Assistance										
General Capital Fund:										
NY/NJ Port Authority:										
Reconstruction of Pier C		2008	17,479,834	(1,455,337)				(203,184)	(1,658,521)	17,479,834
Total NY/NJ Port Authority				(1,455,337)				(203,184)	(1,658,521)	17,479,834
Dept. of Environmental Protection										
Reconstruction of Pier C		2008	2,520,166	(54,362)	600,000			(890,798)	(345,160)	2,514,356
1600 Park Avenue		2010	1,700,000	490,225					490,225	1,209,775
Hoboken Cove		2010	1,000,000	797,451					797,451	202,549
Various Improvements to Elysian Park		2013	400,000	(400,000)					(400,000)	400,000
Total State Dept. of Environmental Protection	Z-252			833,314	600,000			(890,798)	542,516	4,326,680
Developer's Share - Toll Brothers										
Maxwell Place Walkway		2008	3,061,262	(101,730)					(101,730)	3,061,262
Total Developer's Share				(101,730)					(101,730)	3,061,262
Hudson County Open Space										
1600 Park Avenue		2010	200,000	200,000					200,000	
Improvements to 1600 Park Ave and Hoboken Cove		2010	350,000	(19,974)					(19,974)	350,000
Acquisition of Various Parcels of Land		2011	1,000,000	1,000,000		218,784		(455,516)	325,700	893,084
Total Developer's Share				1,180,026		218,784		(455,516)	505,726	1,243,084
Total General Capital Assistance				456,273	600,000	218,784		(1,549,498)	(712,009)	26,110,860
Total State and County/Other Assistance				(525,321)	1,161,797	719,735		(1,413,410)	(1,636,669)	35,106,921

Note: See accompanying notes to schedules of expenditures of federal and state awards.

1- Balance adjusted for prior year charges to grant.

**CITY OF HOBOKEN**  
**NOTES TO THE SCHEDULES OF EXPENDITURES**  
**OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the City of Hoboken, County of Hudson. The City is defined in Note 1A to the City's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the City's financial statements.

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the City's financial statements. Financial assistance awards are reported in the City's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund	\$729,858	\$287,355	\$213,596	\$1,230,809
General Capital Fund	344,779	218,784		563,563
Community Development Block Grant Trust Fund	<u>305,840</u>	<u>          </u>	<u>          </u>	<u>305,840</u>
	<u>\$1,380,477</u>	<u>\$506,139</u>	<u>\$213,596</u>	<u>\$2,100,212</u>

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports. However, we noted certain differences which are reported in the accompanying schedule of findings of noncompliance and questioned costs.

**NOTE 5. ADJUSTMENTS**

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

**CITY OF HOBOKEN  
NOTES TO THE SCHEDULES OF EXPENDITURES  
OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(CONTINUED)**

**NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING**

The City's federal and state loans outstanding at December 31, 2014, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of New Jersey Green Acres Trust Loan	<u>\$824,545</u>

**CITY OF HOBOKEN  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

*Section I - Summary of Auditor's Results*

**Financial Statements**

Type of auditor's report issued:

adverse - USGAAP  
unmodified - OCBOA

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses?            yes       X       none reported
2. Material weakness(es) identified?            yes       X       no
- Noncompliance material to financial statements noted?            yes       X       no

**Federal Awards Section**

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

      X       yes            no

Type of auditors' report on compliance for major programs:

modified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses?            yes       X       none reported
2. Material weakness(es) identified?            yes       X       no
- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?            yes       X       no

Identification of major programs:

**CFDA Number(s)**

**Name of Federal Program**

97.044

Assistance to Firefighters Grant

20.205

Department of Transportation

**State Awards Section**

Not Applicable

**CITY OF HOBOKEN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

**Section II – Financial Statement Findings**

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

**NONE**

**CITY OF HOBOKEN**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**  
**(continued)**

*Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs*

NONE

**STATUS OF PRIOR YEAR FINDINGS**

This section identifies the status of prior year audit findings related to the general purpose financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04, as amended.

NONE

**CITY OF HOBOKEN**  
**GENERAL COMMENTS**

**Contracts and Agreements Requiring Advertisement for Bid**

N.J.S.A. 40A:11-2 contains definitions for terms used throughout N.J.S.A. 40A:11-1 et seq. and was amended under P.L. 1999, c.440. It includes as subsection (23) the term 'competitive contracting', which is defined as "the method described in sections 1 through 5 of P.L. 1999, c.440 (C.40:11-4.1 through C.40A:11-4.5) of contracting for specialized goods and services in which formal proposals are solicited from vendors' formal proposals are evaluated by the purchasing agent or counsel; and the governing body awards a contract to a vendor or vendors from among the formal proposals received."

N.J.S.A. 40A:11-3 was amended with P.L. 1999, c.440 to raise the bid threshold and require award by governing body resolution. "When the cost or price of any contract awarded by the purchasing agent in the aggregate does not exceed in a contract year the total sum of \$17,500 or \$25,000 if there is a certified purchasing agent, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids and bidding therefore, except that the governing body may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations."

N.J.S.A. 40A:11-15 was amended with P.L. 1999, c.440 to extend the base contract period. "Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection (a) of N.J.S.A. 40A:11-5 may be awarded for a period not exceeding 12 consecutive months."

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 40A:11-3 (as amended) is \$17,500 or \$36,000 if there is a certified purchasing agent.

The governing body has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

The minutes indicated that bids were requested by public advertising for the following items:

- Plumbing Services
- Lease for Building and Patio Areas
- Solid Waste and Recycling Removal and Processing Services
- Lease for Midtown Garage Office Space
- 2014 Summer Food Program
- 2014/2015 Street Tree Planting
- 2014 Road Resurfacing Program - Project B
- Natural Gas

## CITY OF HOBOKEN

### GENERAL COMMENTS, (continued)

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts, or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 40A:11-4.

Resolutions were adopted authorizing the awarding of contract or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

#### **Collection of Interest on Delinquent Taxes and Assessments**

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 7, 2014 adopted the following resolution authorizing interest to be charged on delinquent taxes:

WHEREAS, taxes are payable in quarterly installments on February 1, May 1, August 1 and November 1 of each year and installments become delinquent if not paid on or before these dates,

THEREFORE, BE IT RESOLVED that Mayor and Council authorize an interest charge of 8% per annum, upon delinquent installments of taxes and assessments; and

BE IT FURTHER RESOLVED, that the Mayor and Council authorize an interest charge of 18% per annum upon delinquent installments of taxes in excess of \$1,500.00 and an additional penalty of 6% on delinquencies in excess of \$10,000.00 at the end of the calendar year and,

BE IT FURTHER RESOLVED, that the Mayor and Council provide a grace period of 10 days, within which an installment of taxes or assessment may be received without an additional charge of interest; and

BE IT FURTHER RESOLVED, that any installment received after the expiration of the grace period shall bear interest from the due date,

BE IT FURTHER RESOLVED, that the rate of interest to be charged upon tax liens is hereby set at 18% per annum, and a copy of this resolution is to be filed with the Tax Collector - Treasurer and the Tax Assessor of the City of Hoboken.

## CITY OF HOBOKEN

### GENERAL COMMENTS, (continued)

#### Delinquent Taxes and Tax Title Liens

A tax sale was held on April 25, 2014.

Inspection of tax sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on the last three years:

	<u>Number of Liens</u>
December 31, 2014	49
December 31, 2013	49
December 31, 2012	54

#### Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

**CITY OF HOBOKEN**

**OTHER COMMENTS**

**DECEMBER 31, 2014**

**Finance/Treasurer**

1. Monies are being held in trust for the South Waterfront which is not under the auspices of the City.

**Purchasing**

1. There were three instances of vendors performing services for the City in excess of \$17,500 without Pay to Play documentation and public bidding as required by N.J.S.A. 19:44A-20.5.
2. There were two instances of public advertisement failing to note that the proposal is being solicited through a fair and open process in accordance with N.J.S.A. 19:44A-20.5.

**Payroll/Personnel**

1. Instances where employees enrolled in health benefits were not contributing (2 times).

**RECOMMENDATIONS**

**Finance/Treasurer**

1. Monies be turned over to the South Waterfront Board to relieve the City of responsibility.

**Purchasing**

1. All vendors that perform services in excess of \$17,500 should be awarded through an RFP.
2. Public advertisements for RFP's should note that solicitation is being done through a fair and open process.

**Payroll/Personnel**

1. That employees enrolled in health benefits contribute to their coverage.

**CITY OF HOBOKEN**

**STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS**

A review was performed on all prior year recommendations and corrective action was taken on all, except for those recommendations denoted with an asterisk ("\*").

The problems and weaknesses noted in our audit were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Respectfully submitted,



Steven D. Wielkotz  
Registered Municipal Accountant  
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
Certified Public Accountants  
Pompton Lakes, New Jersey

April 20, 2015